

The NATIONAL UNDERWRITER

Life Insurance Edition

Newsweek's

in the picture



"wherever people of influence and decision gather" — that's what the NEWSWEEK ads say. Well, we're in NEWSWEEK to tell the B. M. A. story to these same influential people. This impressive story of income protection is also being told regularly to millions of readers of such top-level national magazines as Saturday Evening Post, Country Gentleman, Woman's Home Companion, and Coronet.

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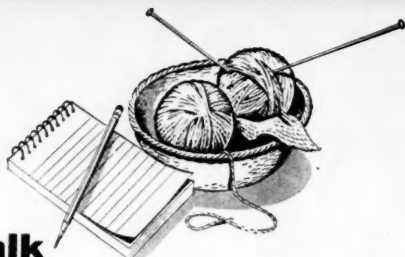
The B.M.A. Weather Beacon
— a friendly signal for thousands of visitors to Kansas City. It's also a reminder that B. M. A. is a "Friend in All Kinds of Weather" for its friends and policyowners in 36 states, District of Columbia, Hawaii and Guam.



FRIDAY, MAY 21, 1954

when you
see
this sign....

it's time to talk



Masterplan

She's 28. She's working to support her mother. She's ready to listen to MASTERPLAN.

Mary has a two-fold problem. To provide protection for her mother today... build for her own security tomorrow. To realize both of these objectives Mary buys a policy with a face value of \$10,000. Her annual premium is \$308.70. At the age of 46 Mary will have a full paid-up insurance estate of \$10,000 requiring no further deposits. She will have paid-in only \$5,556.60 and yet when she reaches 65 she will be provided with a cash fund of \$8,660 (including dividends)—a profit to Mary of \$3,103.40! If she chooses to continue deposits until the age of 61, at 65 she will have a total cash fund of \$15,290—or an annual income of \$1,029.60 for the rest of her life.

Extraordinary case?... NO! Exceptional benefits?... YES! And these are just a few of the many unique features in MASTERPLAN—a Complete Insurance Program wrapped-up in one simple, easy to sell package.

For further information, write
Frank Vesser, Vice President.



General American Life

one of the nation's leading mutual legal reserve companies

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THESE ARE YOUR

Successful Selling Needs...



Additional General Agency
appointments available in
Michigan, Ohio, Indiana, Illinois,
Minnesota, Iowa, and Florida
R. E. IMIG
Agency Vice-President

- 1 A full line of life policies with attractive term riders that offer liberal provisions.
- 2 Complete Sickness, Accident and Hospital coverage with 9 new streamlined policies.
- 3 Home Office training schools.
- 4 Career contracts.
- 5 Production clubs, conventions, awards, excellent sales aids.

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LIFE • SICKNESS • ACCIDENT • HOSPITAL

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25 Years of service!

with life insurance in force exceeding

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PLUS: One of the most advanced agent's training programs in the nation... Supervised offices... Trained Group men to assist agents... An alert Underwriting and home office staff... Top commissions... Company outings... App-A-Week clubs and agent contests... the finest insurance plans.

REPUBLIC NATIONAL LIFE INSURANCE COMPANY

Theo P. Beasley, President

Home Office, Dallas

LIBERTY LIFE INSURANCE COMPANY

Since 1905



Home Office
GREENVILLE, SOUTH CAROLINA

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

58th Year, No. 21
May 21, 1954

Indiana Agents Ask NALU Turnabout on U. S. Group Proposal

Smacks of Twisting, Rebating, Convention Is Told; Against S. S. Hikes

Urged by its president, J. P. Kenealy, Metropolitan, Hammond, to "quit treading softly" on issues affecting the business, and charged by him with standing up for its rights and for private enterprise, the annual meeting of Indiana State Assn. of Life Underwriters in Indianapolis passed one resolution condemning the government's proposal for group insurance on federal employees and urging NALU to reverse its approval as voted in New Orleans, and another resolution of opposition to any increase in OASI benefits or the tax base.

Blasting the federal group proposal as an attempt to legalize rebating and twisting and as carrying imminent potentials of back-door federal regulation of the life insurance business as well as providing a stepping stone for a new system of social insurance, the members were unanimous in the vote for the resolution on that subject.

The federal group proposal was the subject of a special meeting in New York City last week of NALU and company representatives, though reportedly the gathering was of a fact finding nature and no definite action was taken.

Discussion from the floor at Indianapolis was heated with touches of anger over the proposal and without one voice raised in favor of it. The discussion stressed that the opposition was not to group on federal employees but to the attempt on the part of the government to get a lower rate than available to the public by legislating against the payment of commissions on the business. Lowering a rate by eliminating commissions "is a plain and simple rebate," members charged.

It was also brought out that various government departments and agencies already have individually-purchased group plans, which would be quickly thrown out in favor of the blanket plan and its lower rate. Such action would constitute twisting, in the view of various members speaking from the floor.

"For 50 years the life underwriters' associations have fought twisting and rebating," Oren Pritchard, Union Central Life, Indianapolis, national committeeman from Indiana and a member of the group committee of NALU, declared. "All that work would be wiped away by this proposal, opening the door for any group insurer, large enough to bring pressure to bear, to seek a plan written without commission."

It was further charged in the discussion that if the government starts out legislating against commissions,

(CONTINUED ON PAGE 19)

Ordinary Up 4% in April, 5% for First Four Months

April sales of ordinary were \$2,154,000,000, up 4%, while the ordinary figure for the first four months was \$8,038,000,000, up 5%, according to LIAMA. Group was off 28% for April and 7% for the year to date, the sales figures being \$479 million and \$1,847,000,000 respectively.

Industrial for April was \$554 million, up 2%, while for the first four months it was \$2,107,000,000, off a fraction of 1% from the 1953 figure of \$2,110,000,000.

The figures do not include credit insurance. The group figures represent new groups set up and do not include additions under group contracts already in force.

Program Ready for ALC Medical Section Parley

The agenda now is complete for the meeting of the American Life Convention medical section June 17-19 at the Grand hotel, Mackinac Island, Mich. Section Chairman Dr. Karl W. Anderson, Northwestern National Life, will preside at all sessions, and Dr. Arthur E. Parks, Canada Life, is the program chairman.

Following remarks by Dr. Anderson Thursday, greetings will be extended by Ralph R. Lounsbury, president of Bankers National Life and of ALC. Talks will be given that day by Dr. J. C. Sinclair, Canada Life; Drs. William Bolt and John J. Hutchinson of New York Life, and Dr. K. A. Evelyn, McGill University, Montreal.

The business meeting is scheduled for Friday when addresses will be delivered by Dr. R. C. Montgomery, Manufacturers Life, president of Assn. of Life Insurance Medical Directors, and Dr. Ancel Keys, University of Minnesota. Dr. Henry B. Kirkland, Prudential, will be moderator of a discussion by a panel comprised of Drs. L. B. Ellis of Boston Mutual Life, H. M. McCue, Jr., Life of Virginia, and

Guardian Loses to Bohlinger in Home Office Site Appeal

NEW YORK—The appellate division of the supreme court for New York county this week upheld the trial court's decision that Insurance Superintendent Bohlinger has the power to deny an insurance company the right to acquire property for home office purposes if the superintendent isn't satisfied in his own mind that it is a good idea. The action was brought by Guardian Life in connection with a site in White Plains, N. Y., which it wanted to employ for temporary home office use pending a shift to a permanent home office elsewhere in the White Plains area.

The court voted 3 to 2 in favor of Mr. Bohlinger. Justices Botein and Breitel held the superintendent's decision to be not reviewable by the courts on the ground that except where the insurance law provides specifically for review the superintendent's rulings are not reviewable except to determine whether he has "misconstrued or exceeded his authority."

In a separate concurring opinion, Justice Callahan indicated he was not basing his decision on any supposed immunity to judicial review but on a conviction that Mr. Bohlinger had not acted arbitrarily or capriciously, as alleged by Guardian.

His opinion in full reads.

"I am not prepared to say that the courts may not review any determination of the superintendent of insurance unless the insurance law explicitly so provides. I think it is enough in deciding this appeal to hold that the special term was correct in its decision that there was not sufficient ground to disturb the determination of the superintendent."

L. S. Ylvisaker of Fidelity Mutual Life. Claris Adams, executive vice-president and general counsel of ALC, will address the banquet that evening.

Speakers the final day are Drs. G. G. Young of Central of Iowa, D. E. Yochem of Ohio Farm Bureau Life, and R. C. Scannell of Security L. & A. of Denver.

Recent Happenings Spotlight Mutual Fund Competition

Spread of Group-Insured Plans, Reaction to Goldberg Talk, NALU Resolution Cited

By ROBERT B. MITCHELL

NEW YORK—Several recent happenings are indicative of the way that competition between mutual fund salesmen and life insurance agents is developing:

- The launching last week of the Axe insured investment plan, said to be the first mutual fund plan in which group life coverage to insure completion of the program is automatic for all buyers.

- Well-founded reports that other prominent mutual fund operators will shortly announce group-insured programs, as a result of the recent approval by the Massachusetts attorney-general of group insurance for this purpose.

- The resolution adopted by the National Assn. of Life Underwriters at its midyear meeting in New Orleans to the effect that NALU should seek legislation barring the use of group insurance in connection with the sale of installment savings and investment plans on the ground that such insurance might give the impression that NALU approves these investments, which are widely different in character from life insurance.

- The unusual demand for extra copies of the April 16 issue of THE NATIONAL UNDERWRITER, which reported at length a critical talk on mutual funds made by Victor Goldberg of the Solomon Huber agency of Mutual Benefit Life in New York City, the number of requests for reprints of the Goldberg article (no reprints were made, incidentally), and the obvious inference from this interest that life insurance men have been running into considerable competition from mutual funds.

- The intensely critical reaction to the Goldberg talk from the mutual funds. Wellington Fund got out an extensive memorandum vehemently taking issue with many points in Mr. Goldberg's presentation. Massachusetts Investors Trust has been working on one that is scheduled for release this week.

- The growing realization in the life insurance business that if group-insured installment investment programs prove popular with the public it will probably be only a short time before all of the more aggressively merchandised mutual fund installment programs come equipped with group life coverage, and perhaps group A&H as well.

This last possibility naturally leads to the question, what can the life insurance business do about protecting its field men against this competition and forestalling the temptation to car-

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Late News Bulletins . . .

Eisenhower Submits U. S. Employees Group Plan

WASHINGTON—President Eisenhower submitted to Congress Wednesday the administration's plan for contributory group life coverage for federal civilian employees of the legislative executive and judicial branches except "those excluded by their own request or for administrative reasons."

Coverage will be equal to about a year's salary during actual service up to age 65, with reduced benefits thereafter. "A large group of life insurance companies" would underwrite the coverage handling it through a single administrative office. Double indemnity would be provided for accidental death. Employees would pay about half the cost, contributing 25 cents every other week for each \$1,000 of insurance. The civil service commission would act in the role of employer. Employees retiring on immediate annuity after 15 years of service would continue the insurance thereafter free of cost to them. Others terminating employment would be able, without medical examination, to convert to individ-

(CONTINUED ON PAGE 24)

FREE SITE DESCRIBED

Merits of Chicago as Home for NALU Reviewed in Brochure Being Distributed

Illinois life agents have strengthened their bid to make the Chicago area the permanent home of NALU. Advantages of the city as a location are reviewed in a 32-page booklet being sent local and state association presidents, national committeemen and other members of the NALU national council.

Prepared by a special Chicago association committee headed by Joshua B. Glasser, Continental Assurance, the brochure says several sites are available and stresses the savings in cost to NALU if it accepts a site offered by the University of Chicago and located on its campus adjacent to the national headquarters building of American Bar Assn. now under construction.

Acceptance of the campus site would mean a lower initial investment of about \$100,000 plus substantial annual savings, the brochure states. This is based on the fact that \$65,000 already had been agreed upon for a Washington site, whereas the university would charge only a \$1 per year rental, the cost of a heating plant could be eliminated since the university would furnish heating at wholesale rates, saving another \$15,000 to \$20,000, and tax treatment on the land would be favorable.

The brochure states Chicago feels that in the NALU location committee's report "vital facts were overlooked and others inadvertently stated", thus giving the impression the committee appeared to favor a city other than Chicago.

Citing the statement in the location committee memorandum that New York is the traditional home of NALU, the brochure comments such reasoning never would have "moved the western boundary of the U. S. beyond the Allegheny mountains." The center of the population in the U. S., it continues, has moved westward and now is about 175 miles directly south of Chicago.

Any Chicago site would insure a more representative committee membership geographically, "simply because more members can come to Chicago quicker and at less cost than could come to New York."

The memorandum also mentioned the New York City association has made a close study of sites available in that area, but "so has a Chicago committee," the brochure states. "What they found and what they had to offer caused the trustees at the New Orleans mid-year meeting to vote 13 to 4 in favor of Chicago."

Again quoting from the memorandum, the brochure mentions Washington is represented as "providing the best base for legislative matters" affecting insurance. The brochure asks if this does not assume the federal government will take a stronger hand in matters affecting insurance, if it does not play down the role of state governments, ignore the fact most state insurance directors can go to Chicago quicker and more cheaply, ignore that the Council of State Governments and the Public Administration Clearing House—both having to do with state and local government operations, including insurance—long have been located on the university campus, and if it is not a direct contradiction of the location committee statement that "We

should remember that in many respects, insurance legislation in New York is virtually national legislation?"

Disputing a memorandum statement that "Washington offers a favorable personnel market," the brochure says most persons go to Washington to work for the government and "nothing can pry them loose" from those jobs.

Though the memorandum ascribes superior transportation facilities to Washington, neither that city's nor New York's "remotely compare to those of Chicago," the brochure avers. "Most NALU members can go to Chicago without a single rail transfer, but only a small minority can do so in the case of New York or Washington. Chicago's air advantages loom even greater."

The location committee's memorandum states "Washington will apparently offer sites within our means," indicating, the brochure continues, the committee is not certain. Chicago, in addition to many possibilities which may be purchased, offers a free site on the Chicago University campus.

Washington, described in the memorandum as affording "good living conditions for personnel" is "notoriously overcrowded", according to the brochure, and its mass transportation facilities are "notoriously inadequate", whereas Chicago's are "the best in the land."

The memorandum describes Chicago as offering "approximately equal mail time to all points in the U. S.", though, the brochure states, the location committee failed to point out what this means in terms of time and money savings. The biggest item in the NALU budget is printing and mailing of *Life Association News*, constituting about one-third of expenditures. The location committee "makes no reference to this matter and perhaps with good reason." However, the brochure adds, "it is impossible to maintain objectivity and disregard so important an item."

Chicago is pictured in the brochure as being the printing center of the U. S. and offering faster nation-wide delivery on all classes of mail and lower overall costs on second class mail. Because of this, it asks if it is not reasonable to explore savings made possible by printing and mailing the *News* from Chicago?

The brochure adds: "THE NATIONAL UNDERWRITER, which has taken such a keen interest in our headquarters question, could well have given us the reason why THE UNDERWRITER is printed and mailed from Chicago, notwithstanding that its executive offices are in Cincinnati, and its editorial offices are in New York."

The brochure, quoting the traffic director of Montgomery Ward & Co., states, "As the nation's major magazine publishers, mail order firms and many national trade associations with headquarters in Chicago have discovered many years ago, a Chicago mail headquarters means big savings in postal outlays annually." The brochure lists several mail order houses which have Chicago headquarters, as well as several national magazines such as *Time*, *Life*, *Fortune*, *Look*, *Esquire*.

A comparison of building costs, based on U. S. bureau of labor statistics, is presented showing lower rates

for nearly all of the building trades in Chicago.

Additional savings would result through a Chicago site, the brochure goes on, because there is no office occupancy or hotel occupancy tax and no state or city income taxes as there are in Washington and New York. Time differences over the nation would permit more advantageous use of telephone and telegraph service, and because it is the nation's transportation hub, two-thirds of the nation's life agents can reach Chicago over night by rail, something that cannot be said of Washington or New York.

Included in the brochure are letters inviting NALU to locate in Chicago from Governor Stratton of Illinois, Mayor Kennelly of Chicago, R. T. Leonard, president of Chicago Assn. of Commerce and Industry, and Chancellor L. A. Kimpton of the University of Chicago.

Mr. Kimpton points out in his letter the university is considering several suggestions for use of land now sur-

(CONTINUED ON PAGE 22)

Lose Suit to Block Mutualization Plan of Pacific Mutual

Complete approval for the plan of mutualization under which ownership of Pacific Mutual Life will ultimately go to its policyholders has now been given by California appellate court.

In a unanimous decision rejecting an appeal made by representatives of a group of dissenting shareholders, the earlier decision of California superior court that the mutualization plan was fair and equitable was fully sustained. The appellate court additionally stated that the mutualization plan does, in fact, adequately protect the rights and interests of the dissenting shareholders.

The court also disposed of a purported purchase offer made by Clint W. Murchison, Texas oil millionaire, by concluding that it could not give any consideration to the offer. Asa V. Call, president of Pacific Mutual, had previously stated that the company was "Not for sale". The appellate court further commented that even were it to give the offer full consideration, such consideration would in no way alter its decision sustaining the superior court and the California commissioner in their approval of the mutualization plan.

The plan of mutualization, developed over a three-year period beginning in 1946 by a group of outstanding insurance and financial experts, was approved in 1950 by the California commissioner after an extensive public hearing. It was also approved by Pacific Mutual's policyholders, and by the company's trustees and directors. In 1952 it was additionally approved by the California superior court, and the judgment of this court has now been affirmed by the appellate court.

Pacific Mutual, under its present management, which took over in 1936, has since then enjoyed a steadily increasing success. The company's most recent annual report to policyholders discloses that during the past 10 years it has more than doubled the amount of its life insurance in force, which is today in excess of \$1½ billion. Assets at the close of 1953 stood at an all-time high of \$464,862,974, with combined capital, surplus and investment reserves of \$20,428,607. During that year the company's policyholders received payments totaling \$44,583,746, the highest amount for any year since the original Pacific Mutual was founded in 1868.

Several Home Office Promotions Made by Minn. Mutual

Promotion of several executives of Minnesota Mutual Life was announced following a special



Carl R. Anderson

trustees' meeting. Named to the board of trustees are Vice-presidents Norman H. Nelson and Walter J. Rupert. Vice-president Carl R. Anderson is secretary of the board.

Franklin Briesse, formerly treasurer, was advanced to vice president and treasurer and Herbert Elston to vice-president, sales.

In other changes, Allen D. Harmer becomes secretary, I. A. Graff director



Norman H. Nelson



Walter J. Rupert

of advanced underwriting, John J. McConnellou associate superintendent of group sales and C. L. Dockstader, personnel officer, head of the over-all personnel functions of the company. J. S. Hill, actuary, and Dave Cartwright and Frank Somers, underwriting officers, have been made members of the underwriting committee.

LaVon Robison, general agent for the company at Duluth since 1948, will move to Houston to succeed Mr. Elston as general agent there.

Starting with the company in 1925 as cashier, Mr. Nelson became manager of the investment department in 1934, treasurer in 1939 and vice-president in 1946. Before going with Minnesota Mutual 10 years ago, Mr. Rupert



Franklin Briesse



Herbert Elston

was assistant to the president of Sun Life of Canada. He has been a vice-president and chief actuary since 1948.

Mr. Anderson went with the company in 1921, was made secretary in 1929, and a vice-president in 1943. He is a past president of Life Office Management Assn.

Going with Minnesota Mutual in 1928, Mr. Briesse served first in the secretary's department and in 1934 was made assistant manager of the investment department. He was named assistant treasurer in 1939 and treasurer in 1946.

Mr. Elston has been with the com-

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Timetable Given for NAIC Detroit Meeting June 7-11

The hour-by-hour program of committee meetings and plenary sessions, and the topics that are to be taken up, are listed for the annual meeting of National Assn. of Insurance Commissioners, scheduled for June 7-11 at the Statler hotel, Detroit.

Matters exclusively of interest to property insurance people are not included.

Monday, June 7.

9 a.m. - Subcommittee security or insolvency funds, chairman, Smith, Texas. Subcommittee valuation law amendment, chairman, Maloney, California.

10:30 - Plenary session, President Murphy, South Carolina, presiding.

11:45 - Presentation of Nebraska navy admirals commissions by Pansing, Nebraska.

1 p.m. - Subcommittee for study of allocation of income and expenses of life companies, chairman, Allyn, Connecticut.

Subcommittee similarity of company names, chairman, Sullivan, Kansas.

2 - Subcommittee examinations practice and procedure manual revision, chairman, Hooker, Connecticut.

Subcommittee to study enlarging the functions of assistant secretary's office and methods of financing, chairman, Taylor, Oregon. (1) Topical index, NAIC proceedings. (2) Cost recovering plan.

Subcommittee to study the subject of group life, chairman, Gillooly, West Virginia. (1) Certificates issued pursuant to group life master contract. (2) Amendment of model group life bill to: a. reduce minimum number of lives from 25 to 10; b. increase facilities of payment limit in standard provision (6) from \$250 to \$500; c. amend first sentence of 2 (b) of definition relating to group creditor coverage. (2) Promulgation of "group life definition and standard provisions" in present status.

Subcommittee Blue Cross-Blue Shield, chairman, Leslie, Pennsylvania.

3 - Committee on insurance sales on U. S. military reservations, chairman, Martin, Louisiana.

Subcommittee to study rules and regulations governing sale of credit life and credit A&H (executive session) chairman, Sullivan, Kansas.

4:30 - Executive committee, chairman, Leggett, Missouri. (1) Constitution and bylaws amendments. (2) To study the question of reinsurance. (3) To study enlarging the functions of assistant secretary's office. (4) To study sites for future NAIC meetings. (5) Special subcommittee report. (6) Blanks committee report. (7) Audit report of assistant secretary's office. (8) Assistant secretary's report. (9) Committee list. (10) NAIC membership. (11) Executive committee report on meeting of April 5-6, 1954. (12) Federal government activities.

Tuesday, June 8.

9 a.m. - Blanks committee, chairman, Robinson, Ohio. (1) Report of blanks committee meeting April 5-6, 1954.

Unauthorized insurance committee, chairman, Gaffney, New Jersey. (1) Sales on U. S. military reservations committee report. (2) Mail order insurance in connection with U. S. senate judiciary committee matter, committee report. (3) Undesirable practices of unauthorized insurers.

10:30 - Fraternal insurance committee, chairman, Pansing, Nebraska. (1) Model fraternal code to be proposed by industry.

1 p.m. - Examinations committee, chairman, Bowles, Virginia. (1) Examinations practice and procedure, manual revision. (2) Examination manual changes.

2:30 p.m. - Liaison committee, chairman, Larson, Florida.

4 - Valuation of securities committee, chairman, Bohlinger, New York. (1) Valuation of securities.

Wednesday, June 9.

9 a.m. - Laws and legislation committee, chairman, Navarre, Michigan. (1) Security or insolvency funds. (2) Similarity of company names. (3) Uniform law for licensing insurance adjusters.

10:30 - Life committee, chairman, Fischer, Iowa. (1) Commercial pension funds, advisability of supervision and regulation by state insurance department. (2) To study the rules and regulations governing sale of credit life and credit A&H insurance. (3) To study the subject of group life. (4) For study of allocation of income and expenses of life companies.

1 p.m. - A&H committee, chairman, Martin, Louisiana. (1) Blue Cross-Blue Shield. (2) Requiring companies to make explanations in terms that can be understood by assured when denial of claim is made, (Indiana). (3) Is A&H advertising misleading, and if so, what can be done to remedy the situation? (4) Group renewals termination and rewriting, (Wisconsin).

Interstate cooperation committee, chairman, Davis, Mississippi.

2:30 - Taxation and real estate committee, chairman, Holmes, Montana.

Uniform accounting committee, chairman, Lange, Wisconsin. (1) Uniform accounting. (2) Continuation of present expense groups. (3) Definition of inspection expenses. (4) Definitions of acquisition, field supervision and collection expenses. (5) Disposition of report of the subcommittee of the industry uniform accounting committee on basis of allocation. (6) Utilization of time study and unit counts in lieu of flat percentage loadings. (7) Jurisdiction of the NAIC uniform accounting subcommittee

over cost analysis of other than insurance expense exhibit. (8) Use of insurance expense exhibit indications in rate-making.

Thursday, June 10.

9 a.m. - Executive committee, chairman, Leggett, Missouri.

11 - Zone 2 meeting, chairman, Bowles, Virginia.

Zone 3 meeting, chairman, Longshore, Alabama.

Zone 5 meeting, chairman, Apodaca, New Mexico. Zone 6 meeting, chairman, Sullivan, Washington.

2 p.m. - Plenary session, Murphy, South Carolina, presiding. Presentation and discussion of committee reports.

Friday, June 11.

9:30 a.m. - Plenary executive session, Murphy, South Carolina, presiding. 1. Final action on committee reports. 2. Election of NAIC officers.

• Jack W. Rowe has been named supervisor in the Lively agency of Bankers Life of Iowa at Dallas. He has been assistant manager of sales promotion. He joined the company at Denver in 1949.

Gummow, McEnaney Take Kelley's Place in Montana

Clyde Gummow and William McEnaney are jointly filling the insurance and investment department positions in the state auditors office of Montana to replace the late J. D. Kelley, deputy insurance commissioner. Mr. Gummow has been with the department for seven years and Mr. McEnaney for 17 years. They are being assisted by John Jensen, who recently graduated from Montana State University.

The Family . . . our greatest asset!

The happiness, well-being and security of the family is essential to our way of life. The first responsibility of life insurance is to provide security and protection for this greatest of our assets . . . the family. Because, through life

insurance, the family can be protected against the financial hazards of the future.

And so the life insurance agent has an important obligation . . . to provide this essential service to the people of his community. He is truly a man dedicated to doing something for others.

As one of the leading life insurance companies of this continent the Great-West Life carries a great responsibility to hundreds of thousands of families throughout the United States and Canada.

The GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE-WINNIPEG, CANADA



Panelists Urge Agents to Get on Business Insurance Bandwagon; See Untapped Market in 'Heirs Apparent' and Close Corporations

NEW YORK—The finest prospect for business insurance today is the "heir apparent" to the business, Max M. Matson, Mutual Benefit Life, Cleveland, said at the May educational meeting of the New York City Life Underwriters Assn. This often overlooked prospect, he declared, is easy to approach through the father to whom the agent has already sold business insurance. It is the agent's job, said Mr. Matson, to convince the father that his son should be insured at an early age in keeping with his potential income and value to the company, and the father will be only too glad to go along with the agent so that he can say, "My son's pretty important; he's insured for \$100,000."

An agent should be able to assure a partner that it's a wise move to insure his son to his full value at an early age when the rates are lower and he is insurable, he said. Too often, by the time a man is able to afford the maximum of insurance, he is uninsurable and the rates have skyrocketed. Of course, the partner should realize that his son cannot carry the burden of a high premium before or just after he starts in the business, he said. The insurance at the outset is purchased by the corporation and later, when the son is financially prepared to pay the premiums, he can buy the policy from the corporation through any of several plans. This enables him to change the beneficiary. The important thing to remember, he said, is that the son's estate is being built up by the corporation when he is most easily insured, and the corporation is the holder of a good investment.

The man who has spent a lifetime building up a business is convinced, with a little help from his wife, that he is the brains of the business, Mr. Matson declared. "He doesn't want to leave what he's spent a lifetime building up to an inferior person," he said. "If his partner predeceases him, it's equally important, because he doesn't want to become a partner of an inferior person, especially if that person happens to be the partner's widow's second husband."

"Minority stockholders also present a somewhat sensitive problem. When a wife is accustomed to the benefits of her husband's \$30,000 annual income from a business, she's not going to be very happy with dividends totaling about \$2,000 a year after he dies. The surviving partner should be in the position to buy out minority stockholders who might hamper the smooth running of the business."

Mr. Matson said an agent is on the way to a sale if he can impress a man with the obligations he owes his wife. The agent should ask the man if, in the event he had an incurable disease, he would give his son all his life earnings to invest or be invested for him in a business venture, with the possibility the son might fail in this venture and leave both him and the widow in dire straits. Of course, he said, the man would say, "No!" Then the agent should direct the prospect's attention to the fact that if he should die his son would inherit the business and the same disaster might occur, he said.

Mr. Matson said the agent should

not invade the territory of a prospect's legal adviser, that the agent has one job to do and the lawyer another. He said he became successful only when he realized that he must cooperate with the lawyer, who will make it easier for the agent to get on the good side of a prospect.

"Too often some agent tries to bury the 'cons' of business insurance in his presentation to a prospect," Milton Stern, New York City lawyer, declared. When this happens, he said, the prospect's legal adviser distrusts the agent and no matter how truthful he may be in the rest of his presentation, suspicion is cast upon everything he says.

Mr. Stern cautioned agents against using gimmicks or half-truths, saying that it was a lawyer's natural reaction to consider one gimmick as part of a whole spurious approach.

He said the agent should learn to cooperate with a prospect's lawyer, even to the point of giving him credit for working out the business insurance plan. After all, he observed, the agent's job is to build a better estate for his customer and to make a commission; it won't hurt if he gives the lawyer a pat on the back that will build him up in the eyes of his client.

The legal adviser may ask some pretty foolish questions, he said, but the agent should realize that is what he is being paid to do. If his client loses out, the agent might lose a prospect but the lawyer might lose his job, he observed.

Even though the lawyer may show a lack of technical knowledge about estate planning, the agent should not take this to mean that he lacks knowledge about other things, such as legal pitfalls. Both men are experts in their fields and cooperation between them is the only successful way to a sale. On any business insurance case, the agent should meet privately with the lawyer to work out all the aspects of the plan, then go to the prospect with the presentation, thereby avoiding embarrassment on the part of the agent who missed a legal point and the legal adviser who missed an insurance point.

He reiterated the necessity of an agent being truthful with his client, giving him all sides of business insurance, their advantages along with the disadvantages. A lot of owners of business insurance are looking for the agents who advised them to take out bank loans to finance a policy since the new internal revenue law has tightened regulations about such loans, he said.

Blame for the failure of business insurance to reach its potential magnitude lies with those agents who are obsessed with bugaboos, Benjamin Rikelman, manager of Metropolitan Life, New York City, observed. It is these bugaboos which make business insurance in a certain California agency 44% of the yearly written business and 2% in another agency only a few miles away, he said.

Before giving the agent an impetus to sell business insurance, the bugaboos about it must be blown up, he declared. Among the most prevalent, he said, are:

1. That an agent has to go the large

national corporations and talk with the high income top men. The fact that 95% of businesses are small (employing 50 or fewer persons), added to the fact that the average business insurance policy is for \$15,000, makes this bugaboo untrue.

2. That an agent must have specialized legal knowledge, that he must be a "legal eagle." An agent should have a fundamental knowledge of buy-and-sell agreements but he doesn't have to know the things a client's legal adviser is being paid to know. Business insurance should be approached in the same manner as any other kind of insurance, that is, the agent is there to

(CONTINUED ON PAGE 22)

Industry Leaders Lunch with Ike, Discuss A&H Bill

WASHINGTON—Discussion as to how the federal A&H reinsurance bill might be improved took place at a luncheon given by President Eisenhower for 17 prominent life insurance executives, Secretary Hobby of the Health, Education and Welfare department and other HEW officials.

A statement issued by the life insurance executives following the conference indicated strong appreciation of the obvious intent behind the bill to utilize voluntary prepayment plan and also expressed the feeling that the provisions in the bill dealing with utilization of state insurance departments under the plan could be strengthened further and "that the system of state supervision of insurance should not be limited by federal activity in any field."

Insurance men who attended were W. T. Grant, chairman of Business Men's Assurance, Adlai H. Rust, chairman of State Farm Life, Claris Adams, executive vice-president and general counsel of American Life Convention, Eugene M. Thore, general counsel of Life Insurance Assn. of America, and the following company presidents: Horace W. Brower, Occidental of California; Asa V. Call, Pacific Mutual; Paul F. Clark, John Hancock; Louis W. Dawson, Mutual of New York, Frederick W. Ecker, Metropolitan Life; S. J. Hay, Great National; Ralph R. Lounsberry, Bankers National; Ray D. Murphy, Equitable Society; Powell B. McHaney, General American Life; Clarence J. Myers, New York Life; Eldon Stevenson, Jr., National Life & Accident; Carrol M. Shanks, Prudential; and Frazar B. Wilde, Connecticut General Life.

Following is the text of the statement issued after the luncheon:

"During our conference with the President there was a general expression on the part of the life insurance company representatives who were present favoring the general objectives of the bill. We believe the measure is directed toward encouraging and stimulating still further the development and expansion of health insurance services and coverage for the American public through voluntary plans.

"There was discussion at the conference as to how the bill may be improved. The plan includes many sound insurance principles. We feel that provisions in the bill dealing with the utilization of state insurance departments under the plan may be further strengthened in order that they may be used to the maximum extent and that the system of state supervision of insurance should not be limited by federal activity in any field."

Case Study to Be Highlight at MDRT Meeting June 15-18

An innovation in the form of a case study of a complete individual life insurance problem is planned for the Million Dollar Round Table annual meeting June 15-18 at Coronado, Cal. Nearly a day and a half of the meeting will be devoted to the case study



John Todd



Howard Goldman

of John Todd, Northwestern Mutual, Chicago, a former MDRT chairman.

Members attending will be considered on the staff of a mythical estate and pension planning organization.



William C. Fenniman



Joseph Trachtman

Each will select a division he wishes to work in—estate planning, business insurance or pension planning. All will be made fully familiar with aspects of the theoretical case, and there will be four specialists who will guide the client to reveal information concerning his accomplishments, objectives and problems.

They are Howard Goldman, Northwestern Mutual general agent at Richmond, Va.; Joseph Trachtman, New York City attorney; William C. Fenni-



Robert U. Redpath, Jr.



Francis T. Fenn, Jr.

man, trust officer of Phoenix State Bank & Trust Co. of Hartford, and Robert U. Redpath, Jr., Connecticut Mutual, New York City.

Robert Lawthers, director of benefits and pensions for New England Mutual, will portray the client. Others assisting in arranging the presentation are Laffin C. Jones, Northwestern Mutual Life executive assistant; Warren Bacon, supervisor of sales promotion of New England Mutual, and Francis T. Fenn, Jr., National Life, Hartford.

By the time the solutions are summed up it is expected that the theoretical client will have received the greatest application of skill and knowledge that was ever applied to a single insurance case.

Maloney Gives A&H Managers His View of the Business in Light of Current Public Criticism

Commissioner John R. Maloney of California in his address last week before the San Francisco A & H Managers Assn. compared the situation in the A & H business today with that which existed 50 years ago in life insurance just preceding the Armstrong investigation. While it is apparent that there are important differences between the nature of some of the activities of the life companies criticized 50 years ago and the activities of A & H companies presently undergoing public censure, Mr. Maloney said there is nevertheless a similarity that is striking.

Today, as then, the times are marked by expanding economy and increasing population; the A & H business has been growing rapidly and producing profits; the companies have been faced with problems incident to increasing agency forces and financing them; "and if the current unfavorable press reflects opinion—frankly I think it does—much public dissatisfaction with the A & H business exists possibly as a natural result of these factors."

Mr. Maloney, in whose state last year there were produced \$250 million in A & H premiums, listed these similarities between the life companies 50 years ago and the A & H companies today:

- Competition to improper excesses.
- High pressure selling by specialty non-servicing agents.
- High lapse rates.
- Questionable contract provisions and interpretation of contracts.
- Misleading advertising.
- High expense rates, field and home office, in acquiring and maintaining business.

The A&H business has attained its great proportion in a short period of only 10 years, and there have been growing pains, mistakes and misunderstandings. Unfortunately, there has also been "outright dishonesty and, perhaps, more than some unconscionable conduct or sharp practice."

Mr. Maloney said his opinion is that the business has been so busy collecting dollars that it has neglected its ethics and overlooked its public service purposes to such an extent that its standard of business morality was rapidly becoming simply that which the other fellow is doing or getting away with.

Managers in the field have a large part to play in the determination of the future of the A&H business, he added. It is the manager who selects the agents to sell policies and explain coverage. "If in your quest for business and to meet competition you hire the merchandise-hawker type of individual who was selling magic cleaning fluid on the street corner yesterday and will be punching doorbells, selling can openers tomorrow, and who boasts that he has finally tumbled into a sweet racket in the selling end of your business (some of you have indulged in that kind of recruitment) you can expect the public misunderstanding of the coverages of your policies to continue to mount to the point that governmental intervention will cease to be a threat and become a reality." The alternative, he declared, is careful selection and a sacrifice of quantity of sales for quality to establish a family of informed and satisfied policyholders

with confidence in the integrity of the agent, his company and A&H insurance as a private enterprise.

Managers also influence or control policy language and the interpretation and application of it in connection with claims. Public opinion concerning this language is that it is too legalistic and technical, Mr. Maloney observed. The

average policyholder is not interested in the niceties of technical distinctions, and he suggested a reformation is essential if the integrity of the business in the mind of the public is not to be destroyed. To say that the department's own policy approval standards are technical and legalistic is to disregard the fact that practically every one of the requirements finds its origin in the reliance of the companies on legalisms of which the policyholders were unaware until the time of claim. Policy approval standards will not become less technical or less legal before the

drafting of policies and the interpretation and application of them take the same direction.

Managers also have a share in the responsibility of establishing both underwriting and claims policy. Mr. Maloney criticized the idea of selling medical and hospital coverage to persons of advanced ages, in the 80's, coupled with a policy of strict interpretation of exclusion for pre-existing conditions. This is being done, he said, and it can only result in justified criticism of the business "as a racket—and a cruel one

(CONTINUED ON PAGE 20)



Jumpin' five times

THROW AWAY
RATE BOOK

Easy to use Sales
folder with rates,
dividends and
values in-
cluded.

\$25,000 at age 21

Very High Cash Values
Endowment at age 55

Dividends Accumulated at 3%
Premiums Discounted At 3%

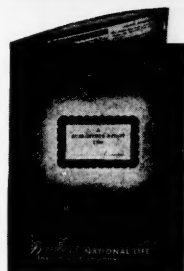
Premium Refund and Payor Waiver
to age 21

Top Commissions, Complete Sales Tools
Non-Medical

\$5,000 at age of issue 0-14

*

Simple and complete. See for yourself. We'll be glad to send this Jumpin' Juvenile Broker's Sales Kit. Just fill in coupon.



Please send me your Jumpin' Juvenile Broker's Sales Kit. No obligation of course.

Name.....

Address.....

City..... State.....

LIAMA Host to 10 College Deans

LIAMA was host to 10 deans of college business administration schools at a two-day meeting led by Eber M. Spence, vice-president and director of agencies of American United Life and chairman of the LIAMA committee on relations with universities.

Explaining the challenge that the life insurance business holds for college graduates, Mr. Spence said that to build a career a man spends about three years in "general practice" and in five years should be ready to study for the CLU designation. After the initial period of training and selling experience, he may elect to stay in personal selling, or go into field management, home office work, or institutional work with one of the several life insurance trade associations.

Dean Delbert Duncan of University of Colorado said most college students today seem to look for the position that offers most in the way of a training program, opportunity for growth, and opportunity to make a career.

All the deans agreed that in recruiting by any line of business on the college campus, one of the most important single influences is the quality of the interviewer.

There was some discussion of how influential college placement officers are in guiding a college man's choice of a job. Ross M. Trump, Washington University, St. Louis, said a college placement officer does not consider a man "placed" until he is "happy in his job." Merely finding a job is not enough, he said. He warned that no company should recruit college men until it is prepared to give them adequate training.

Dean S. G. Winter, State University of Iowa, said many college placement officers are not counselors to students but merely facilitate the student's contact with the business in which he has indicated an interest.

Managing Director Charles J. Zimmerman of LIAMA pointed out that the life insurance business is one of the very few that record and openly admit their rate of salesman turnover and that life insurance turnover figures that might appear high don't



Attending the annual meeting of college business school deans, sponsored by LIAMA at Hartford, were: Standing, A. Rogers Maynard, 2nd vice-president Metropolitan; Davis W. Gregg, dean of the American College; E. J. Brown, Arizona; H. B. Brown, Oklahoma; D. J. Duncan, Colorado; H. W. Bohlman, Drake, and R. M. Trump, Washington; seated, Charles J. Zimmerman, managing director of LIAMA; A. S. Lang, Baylor; F. E. Walsh, Creighton; S. G. Winter, Iowa State; J. R. Easterly, Rutgers, and W. L. Bradshaw, Missouri.

actually tell the whole story. He made the point that even though a man may leave the business he may be far better off for having had life insurance experience. He said most businesses

absorb their own failures but that life insurance tells them to leave the business for their own good. Often a so-called failure in life insurance moves into some other business and becomes a great success.

Mr. Zimmerman said a career in life insurance selling "has a great deal to offer to the young college man who has the aptitude and who is willing to pay the price for success." He reminded his listeners that the life insurance salesman is "never without a market, never without a product, never without an income."

Others who spoke included S. Rains Wallace, Jr., LIAMA director of research; Lewis W. S. Chapman, LIAMA director of company relations; Dean Davis Gregg of the American College, Robert P. Stieglitz, New York Life's director of college relations, Ben F. Hadley, vice-president and superintendent of agents of Columbus Mutual Life; and William O. Cummings, LIAMA consultant.

Substantial First-Quarter Gain Noted by Mass. Mutual

Massachusetts Mutual, at the end of the first quarter of 1954, noted an increase in insurance in force of \$86,656,000, bringing the total to \$4,035,398,000. New sales were up 11% to \$133,923,000, representing \$118,525,000 ordinary and \$15,398,000 group, for the greatest increase for any similar period.

The quarter saw 87 of the company's 89 agencies expand in size. More than \$1 million of new ordinary business was written by 42 agencies. Leader for the year to date is Yates-Wood, Los Angeles, with more than \$6 million of new ordinary business. The company invested \$61,247,000 during the quarter.

Oshin Sets New Record

NEW YORK—Home Life's Clarence Oshin agency in New York City exceeded in April the best month's business ever recorded by any Home agency. The agency had more than \$1.8 million on the basis of "current activity volume," which limits credit for term, family income, and modified life. Louis Freedenberg led in paid-for. The agency has led the company in production for five of the last seven years.

Imperial Promotes Montgomery

Imperial Life of North Carolina has promoted O. F. Montgomery from supervisor to director of agency training, succeeding Harold C. Calloway, recently named district manager at Fayetteville. Mr. Montgomery joined the company at Greensboro in 1948.

BROAD INSURANCE COVERAGE

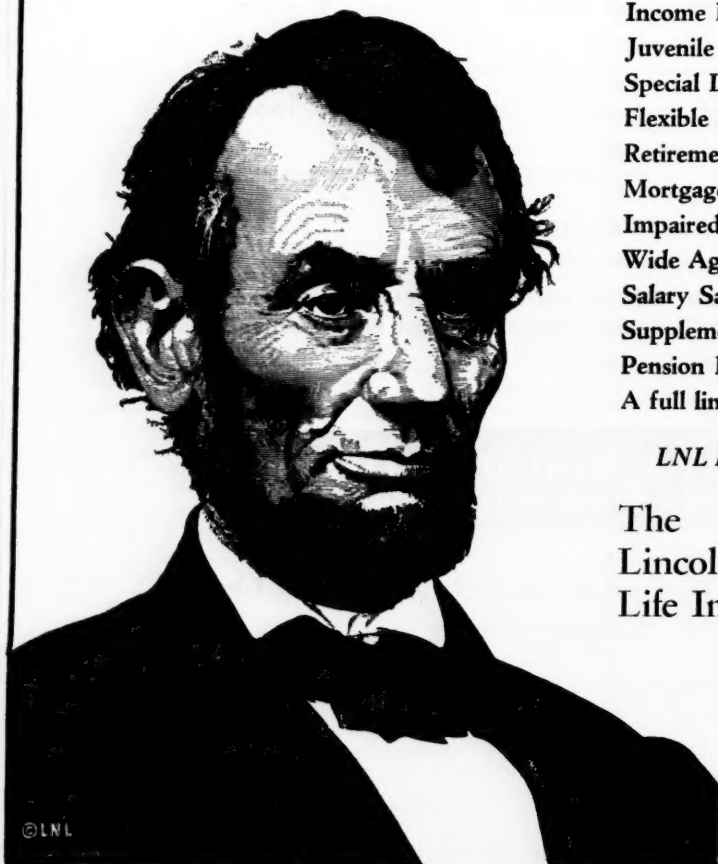
Nonparticipating Insurance
Participating Insurance
Accident & Sickness Insurance
(Noncan and Commercial)
Income Disability
Juvenile Insurance
Special Low Cost Plans
Flexible Family Income Plans
Retirement Plans
Mortgage Redemption
Impaired Risk Service
Wide Age Range
Salary Savings Systems
Supplemental Term Riders
Pension Plans
A full line of Group Coverage

LNL Is Geared To Help Its Field Men

The
Lincoln National
Life Insurance Company

Fort Wayne, Indiana

*Its Name Indicates
Its Character*



STATE FARM REPORT

Facts of interest from State Farm Life Insurance Company, Bloomington, Illinois, affiliate of State Farm Mutual Automobile Insurance Company and State Farm Fire and Casualty Company

VOL. 1 NO. 2 2ND QUARTER, 1954

STATE FARM



INSURANCE

356 STATE FARM AGENTS NOW ENROLLED IN L.U.T.C. CLASSES

Agent Woolsey elected president of I. I. M. Basic Class 26 at S. M. U.



Mr. Woolsey

C. D. Woolsey, State Farm agent from Atlanta, Georgia, has been elected president of Basic Class 26 at The Institute of Insurance Marketing, Southern Methodist University.

As president, Mr. Woolsey heads a group of 44 agents, representing 24 companies, from 15 states.

Congratulations, sir!

134 home office employees now engaged in advance studies

Statistics indicate State Farm Life's home office force is keenly interested in keeping abreast of industry developments and personal responsibilities in a rapidly growing company.

One out of every three employees is continuing his education on his own time. Specifically, 115 are studying with the Life Office Management Institute. Others are seeking fellowships in the Society of Actuaries; still others the degree of Chartered Life Underwriter; and a number are preparing for Certified Public Accountant examinations.

St. Petersburg, April 5:

State Farm now ranks fourth—among all life insurance companies in the U. S. A.—in number of agents registered for Life Underwriter Training Council classes, it was announced here today.

The announcement was made to State Farm's 1954 "Leaders Club" convention by William T. Beadles, Dean of Illinois Wesleyan University, Secretary-Treasurer of the American Association of University Teachers of Insurance, and State Farm Educational Consultant.

"Only the Prudential, Metropolitan, and John Hancock Companies have more agents enrolled than State Farm," said Dean Beadles. "We can all be proud of the enthusiasm and foresight with which these men are facing their responsibilities and opportunities."

"Newest" meets "first" at 25th Birthday Party



Bloomington, April 19: There were smiles all around at the company's 25th birthday party when Chairman of the Board Adlai H. Rust presented newest employee Diane Wagner to the original employee, President Morris G. Fuller. If Diane seems a little bit flustered, it's probably because she didn't expect anything like this when she reported for work this morning.

This is the second report

in a series published at regular intervals.

For copies of previous reports, write:

Director of Public Relations.

Contract Let for Travelers' Addition

Travelers has contracted with the George A. Fuller Co. to build the new addition to its head office. The Fuller company constructed the new Hotel Statler at Hartford and the Aetna Life building there.

The new 11-story building at 740 Main street will replace the Old Times buildings at the corner of Main and Grove streets and the two-story building next door at 738-44 Main street. Demolition of these buildings will start

in August and construction will take about 18 months.

Most notable change in the physical setup of Travelers with the completion of the new building will be the move of the Hartford branch on Asylum street to the first three floors of the new building. There will be a cafeteria for men and women employees and club rooms. The Travelers schools will, with the removal of the Girl's Club cafeteria and recreation rooms from 52 Prospect street, occupy the Prospect street building.

The new building will be faced on

west and south with Alabama limestone, its first floor with pink granite. It will increase home office space by about 30%.

Tour Mutual Home Office

A group of Australians, members of a team which is studying American construction methods, contract bonds, insured mortgages, building codes, etc., toured the new home office of Mutual of New York and saw films taken during erection of the building. J. McCall Hughes, Mutual comptroller, spoke on the value of the owner, architect and builder acting as a team.

U.S. Chamber Policy on Insurance Stated

At its annual meeting in Washington, D. C., U. S. Chamber of Commerce adopted declarations of policy on insurance. It supports sound plans to preserve the value of the currency as a means of conserving the life time plans and savings of individuals. It favors state regulation of insurance, with provision against arbitrary exercise of power. Able state supervisory officials and uniform standards of administration are highly desirable.

The contractual relationship between life companies and policyholders should be considered in any government borrowing and debt management policies having a bearing on interest rates, the chamber stated.

A measure of protection for dependents of service men on active duty in time of war, or of those who lose their insurability while in such service, is recognized as an obligation of federal government. The government should not duplicate facilities of private insurers and should not provide life insurance for veterans who are not impaired.

Ferguson Assistant Agency Manager Provident Mutual

C. Gordon Ferguson has been appointed assistant manager of agencies of Provident Mutual, effective

Sept. 1. He joined the company in 1936 in its New York-Sprague agency and after navy service was named supervisor for that agency. In 1949 he became general agent at Cleveland. He is president of Cleveland Life Managers & General Agents Assn. and a trustee of Cleveland Life Underwriters Assn.



C. Gordon Ferguson

Clark to Direct S. W. Group Sales for Prudential

Charles S. Clark, formerly group sales manager for Prudential, has been promoted to director of group sales and service for the southwestern home office at Houston.

Mr. Clark, who will supervise sales operations in eight states, has been with the company for 22 years, serving in group posts at Philadelphia, New York City, and in the Newark home office. He went to Houston in 1951.

LOMA Grads Nominate Cramer

William W. Cramer, Equitable Society, has been nominated for president of Society of LOMA Graduates. Other nominations include Frank D. Lewand, New York Life, vice-president; Corwin H. Barnum, Teachers Insurance & Annuity, treasurer; Donald Hayes, Mutual Benefit Life, secretary, and Leo J. McCarron, Prudential, Donald W. West, Mutual of New York, and Howard W. Warwick, Metropolitan, council members.

Insurance Men Advise on FHA

Acting FHA Commissioner Mason has announced that he will make detailed recommendations to the Senate banking committee for amending the FHA law based on the expressions of the new FHA industry advisory committee which includes Devereux Josephs, president of New York Life, and L. Douglas Meredith, executive vice-president of National Life of Vermont.

Meet the Winners OF THE PRESIDENT'S ORGANIZATION AWARD



Each year President Peter M. Fraser of the Connecticut Mutual recognizes, with special awards, the five general agencies which made the best records in sound agency building and development among the Company's 80 agencies.

1953 winners were The Hunken Agency, Chicago; The Love Agency, Hartford; The Claude C. Jones Agency, Indianapolis; The Melzar C. Jones Agency, Los Angeles and The Josephson Agency, New York.

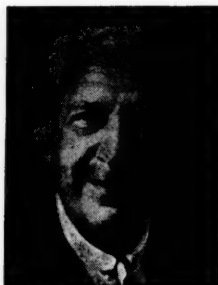
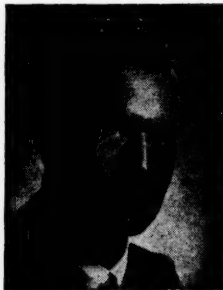
They did a fine job, and the entire Connecticut Mutual organization, both at the Home Office and in the field, joins in congratulating them.

The Connecticut Mutual
LIFE INSURANCE COMPANY · HARTFORD



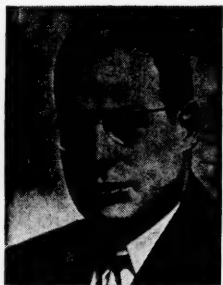
Chicago's Henry C. Hunken has been in the life insurance field since 1929 when he joined the Company as brokerage supervisor at New York. He was later supervisor at Newark and was general agent at Springfield, Massachusetts, from 1936 to 1940, leaving that post for Chicago.

Hartford's Ralph H. Love has been in the life insurance business since 1925. He came with the Company 11 years ago as agency manager at Cincinnati. In 1945 he was appointed agency manager at Hartford and in 1946 became general agent there.



Indianapolis' Claude C. Jones has been in the life insurance field since 1919. He joined the Connecticut Mutual in 1924, advancing to supervisor in 1927 and to general agent in 1934. He was general agent for the Company at Buffalo from 1941-1945.

Los Angeles' Melzar C. Jones has been in the life insurance field since 1935 and joined the Company in 1942 as brokerage manager. In 1945 he was appointed assistant general agent and in 1946 became general agent.



New York's Halsey D. Josephson has been in the life insurance business since 1930. He has been an agent, supervisor and general agent. He came to the Connecticut Mutual as general agent at New York in 1949.

New York Seminar of LOMA Grads Hears H. B. Palmer

One of the important responsibilities of life insurance management is to see that all its standards, procedures and methods are based on the understanding that this is a business of people, not tangible commodities. H. Bruce Palmer, president of Mutual Benefit Life, told the annual seminar of Society of LOMA Graduates in New York City. Edward F. Moran, assistant secretary of Home Life, head of the society, presided.

Life insurance has no factories, no machines, no production line, no stock of goods for counter sales, Mr. Palmer said. The major elements of the business are all people—policyholders, home office staff and agents. The function of management is to coordinate these people and their interests, plan their activities and relationships, and sustain good public relations both with the public at large and within company ranks.

He suggested that those who strive for greater leadership in life offices must be willing to accept the real challenge of handling people and stimulating the individual efforts of those under them. A proper control of personnel and improvement in their work efficiency can result only from sound work standards and effective methods and procedures, he said.

A panel discussion of modern concepts in life insurance was featured in the afternoon session of the seminar, with William W. Eitel, methods manager at Home Life, as moderator.

The role of the claim man was outlined by Donald W. West, claims specialist of Mutual Life, who emphasized that claim administration is an art and not a science. There are no set rules for a home office claim man to follow, he said. His approach and handling derive largely from experience, individual judgment and his awareness of his responsibility for an equitable decision.

Among the attributes required of a claim man, according to Mr. West, are that he be part doctor, part lawyer and part detective, have a suspicious mind and remember that the majority of people in this country are basically honest. He stressed the fact that only a small portion of all claims are ever questioned, but these should be examined for it is just as wrong to pay a benefit that is not properly payable as it would be to deny one that should be paid.

The impact of electronic devices on office procedures was discussed by Corwin H. Barnum, assistant secretary of Teachers Insurance & Annuity. With mounting costs the new electronic units should be considered in their relation to increased efficiency and reduced costs, he said. He cited one new machine which can hold the equivalent of 70,000 punched cards on one reel of magnetic tape. The cards would require 22 storage drawers, each 28 inches long. The tape can be processed through the electronic machine in about 6½ minutes. Furthermore, the tape can take an unlimited number of items, while the punched card is limited to 80 columns.

Mr. Barnum cautioned that extensive preliminary work is necessary if electronic machines are to deliver fully and also that a company consid-

ering their use should compare the cost of such machines with possible savings in personnel now doing manual operations, personnel now doing machine operations, rentals of present machine equipment and space required.

Some of the factors involved in the development of insurance plans for groups too small for group insurance were outlined by Eugene R. Kintgen, supervisor of employee protection plan division New York Life. Selling insurance is no different than selling any other commodity in a highly com-

petitive field, he said, and the factors of development can best be presented by discussing the viewpoints of the buyer or employer and the agent on the servicing necessary by home office administration.

Howard V. Kivlin, senior procedures analyst of Metropolitan Life, discussed management education training programs. He said that a top ranking goal of most managements today is to have a B team harnessed adequately to direct the enterprise when present management steps out. This is a for-

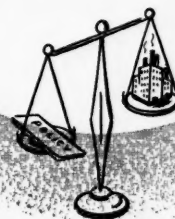
midable challenge in the face of complex organization structures, finance, human relations and operational efficiency.

The rapidly changing basis of operations in the investment field was outlined by W. R. Cowie, 2nd vice-president of Equitable Society, who discussed yield changes on long-term investments, market shifts and some new procedures. He cited several examples of joint loan projects covering turnpikes, pipe lines and metal projects.



... says Mrs. William Compton of Richland, Washington

"Bill's choice was BEST for ALL of us"



"For six years before we were married Bill taught high school mathematics and chemistry and coached athletics. Even though he loved this work, Bill realized that *salary-wise* he could not make much progress.

"Then early in 1941 Bill entered industry as a technical man and soon advanced to a supervisor's position, which he held for about seven years. He was progressing in salary and position, but still he wasn't satisfied to make this his life's work either. Several times he told me that he thought selling should be his field.

"In 1948 a Minnesota Mutual agent called on us and presented the 'Success Bond Savings Story.' We were so impressed that Bill himself became a part-time agent for the company. For over five years we were 'part-timers,' qualifying each year for the company convention. Each year saw my husband's pay checks from both jobs increase, but the checks from Minnesota Mutual grew 'bigger faster.'

"In fact, Bill loved his part-time insurance job so much that he was spending most of his spare time selling. Finally, he was away from

home so much that last summer we decided one job had to go.

"The decision came easily. Bill simply chose the job he liked *best*!

"In selling life insurance Bill feels that he is rendering one of the greatest services to man, his family and their future. Of course, becoming a full-time agent meant giving up a good, steady pay-check and a twelve-year service record... but we're glad Bill made the change.

"Now my husband has time to spend with Billy and Jack and me. We're proud of the way we're getting ahead, too, and of being 'full-time' members of the 'Minnesota Mutual family.' The executives of the company take such a friendly, personal interest in their agents that you feel you are a major part of the business! Bill says, too, that Minnesota Mutual's plentiful sales tools give the agent an 'ace in the hole for every need.' I know they make his selling job easier.

"Yes, we're happy Bill chose the *life insurance* career, and we know he has a great future ahead."

Since 1948, when William M. Compton signed a part-time agent's contract with Minnesota Mutual, his personally paid business total has increased steadily. He now has over \$1,388,540 paid business in force, has been a member of the Company's "M Club" since 1950 for maintaining a persistency ratio of 95 per cent. He became a full-time salesman in September, 1953. Since then he has also become a member of the "50 Club" for producing more than \$50,000 examined business each month and of the "App-A-Week Club" for 41 consecutive weeks to date. He particularly likes to sell the company's Retirement Income Bond, using the "Success Bond Savings Story." Minnesota Mutual considers itself honored to count a man like Bill Compton part of its field personnel.

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

ST. PAUL 1, MINNESOTA



Life of Ga.'s Top Agents Meet in Fla.

Life of Georgia geared its annual president's club convention at Hollywood, Fla., to the celebration of its passing last September of the \$1 billion insurance in force mark. The four-day meeting, attended by 902 producers, heard talks by Travis T. Wallace, president of Great American, and president R. Howard Dobbs, Jr., of Life of Georgia, who called for a rededication to service on the part of agents and company in his talk, "Beyond the Billion."

Cody Laird, executive vice-president and chairman of the agency committee, presided at all three morning business sessions, which included a panel on quality production, led by Gary Cutini, director of training, with three national quality award winners, James H. vonSeeberg, Montgomery, Ala., E. M. Hutcheson, Atlanta, and Whitney M. Searcy, Decatur, Ga.

A home office group discussing

teamwork of home office and field, led by W. Sheffield Owen, new agency vice-president, included Bruce Batho, actuary, Robert B. Cook, agency secretary, Claude D. Cothran, director of agencies, Mr. Cutini, Dr. O. E. Hanes, medical director, J. M. Jackson, claims department manager, and Al B. Richardson, director of public relations. This discussion was followed by a room-hopping session led by home office people.

Chairman I. M. Sheffield, Jr., presided at the banquet which climaxed the social activities of the meeting.

Mutual Benefit to Shift Premium Payment Office

The Newark and New York City agencies of Mutual Benefit Life shortly will handle their own premium collection and service work, heretofore carried out by the Newark home office. The move, designed to expand contacts with policyholders, will be made gradually, on an agency-by-agency basis, and will result in the agencies operating along the lines of Mutual Benefit's other agencies throughout the country.



"All men are endowed with certain inalienable rights . . . life, liberty, and the pursuit of happiness."

JEFFERSON'S wise thinking, spurs into action the man eagerly looking for a profitable achievement of future happiness. If you are a man like this and capable of general agent responsibility—National Reserve Life offers you real opportunity. In the rich region west of the Mississippi, our one hundred and fifty-five million dollar company is currently moving forward in a dynamic expansion campaign. Correspondence and exchange of information will be held in mutual confidence. Be wise—send now for complete information without obligation, to help you achieve success in, "life, liberty, and the pursuit of happiness!"

Write W. E. Moore, Agcy. V.P., Agcy. Hq., Topeka
S. H. Witmer, Chm. of the Board. H. O. Chapman, Pres.



**NATIONAL RESERVE
LIFE INSURANCE COMPANY**

TOPEKA • • • SIOUX FALLS

Strong as the Strongest - Enduring as Rushmore



Pru Has Monthly Debit Mortgage Policy

Prudential has announced a new monthly debit ordinary policy designed to provide low-cost mortgage protection to those prospects who desire the convenience of monthly premium collections at their homes. Combining a life paid-up at age 85 policy with 20-year decreasing term insurance, the new policy is available to applicants who can qualify for regular ordinary insurance at ADB 1 rates and it will be issued at ages 20 to 45.

It will be sold in units of \$1,000 of permanent insurance and \$3,000 of decreasing term insurance and when the decreasing term insurance ceases at the end of 20 years, premiums automatically reduce to fit the permanent insurance protection. Minimum amount to be issued is one \$4,000 unit, and additional amounts may be sold in whole or half units. However, the total premium on any one life may not exceed \$9.99 a month. The amounts have been fixed to fully cover the yearly balance of a 20-year installment mortgage based on an interest rate of 6% or less.

United Investors of Dallas to Be Credit Life Insurer

United Investors Life, the company being organized at Dallas, will have paid-in capital of \$25,000 and surplus of \$12,500. The company will write credit life and credit life reinsurance only, handling the insurance requirements of Bankers Credit Protection Plan of Dallas.

President of the company is Kenneth Murchison, senior partner of the Kenneth Murchison & Co. agency in Dallas. Mr. Murchison also is president of Insurors Corp. of Dallas and of Mid-Continent Ins. Co. of Amarillo, Tex. Vice-president is John L. Tracy, a junior partner of Kenneth Murchison & Co., and a vice-president of Insurors Corp. and Mid-Continent.

Conn. Supervisors Elect

James A. Walsh, Massachusetts Mutual at Hartford, has been elected president of Life Supervisors Assn. of Connecticut. Other new officers, all of Hartford, are Robert S. House, New England Mutual, vice-president; Victor G. Memery, New England Mutual, secretary, and Ben H. Kenyon, Mutual Benefit Life, treasurer.

Hederly Case to Top Cal. Court

LOS ANGELES—California supreme court has granted a hearing in the case of William D. Hederly, accused of violating the fiduciary sections of the insurance code. The case has been through superior court at Los Angeles and the district court of appeals. Hederly is charged with failure to maintain a trustee account, and with misappropriating insurance premiums due a company.

The appellate court reversed the lower court and sent the case back to trial on the ground that the prosecution had not proved misappropriation.

Agency Has \$100 Million in Force

The Fraser E. Pomeroy agency of New England Mutual Life at Detroit now has on the books more than \$100 million of life insurance in force. In celebrating this milestone, the agency pointed out this is more protection in force than that possessed by some 600 insurance companies.

Slovacek Joins Shield Life

Shield Life of Fort Worth has appointed E. W. Slovacek general agent at its home office city. Formerly a partner in the Navles & Slovacek agency at Bryan, Tex., he at one time represented Travelers and has served two tours of duty with the air force.



ESTABLISHED

Walter Strand, Sacramento, became a Big Tree Club Top-Star in his first year with Pacific Mutual, and has maintained this distinguished standing throughout a full decade. In California's capital city he is respected as an outstanding life insurance man, and known as a dependable and popular participant in civic affairs.

"Thanks to the kind of training and guidance furnished by our company, and Pacific Mutual's really versatile coverages," says Walter, "I'm able to provide the insurance service my clients want, and to sustain and enjoy the personal standing that comes with a firmly established name in my community."

**Pacific
Mutual**

LIFE INSURANCE COMPANY

HOME OFFICE: LOS ANGELES, CALIF.



1868

LIFE—ACCIDENT & HEALTH
RETIREMENT PLANS—GROUP

INSURANCE FOR FINANCIAL INSTITUTIONS

Credit Life
Automobile
Fire



Colorado Credit Life
Colorado Insurance Company
Colorado Credit Life Underwriters
Boulder, Colorado

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Many Top U. S. Life Company Officials Going to Madrid

Among life company officials who will present papers at the International Congress of Actuaries in Madrid, Spain, the first week in June will be E. M. Neumann, 2nd vice-president and associate actuary Prudential, who will speak on "Standards of Insurability under Group Insurance Contracts"; Walter O. Menge, president Lincoln National Life, "Notes on Modified Coinsurance"; Ray D. Murphy, president Equitable Society, "The Problem of Maintaining the Stability of Life Insurance Companies During War"; Malvin E. Davis, vice-president and actuary Metropolitan Life, "Financial Stability of Life Insurance Companies"; Charles A. Spoerl, assistant vice-president and actuary Aetna Life, "The Education of American Actuaries"; and M. E. Ogborn and G. V. Bayley, Equitable Society, "Participation in Profits as a Means of Securing Stability in Life Insurance Funds."

The companies to be represented and their attending officers will be: Security Life & Trust, Samuel L. Booke, executive vice-president and actuary; Metropolitan Life, Douglas S. Craig, 2nd vice-president; Irving G. Roth, assistant actuary, and Mr. Davis; Prudential, Valentine Howell, executive vice-president; Pearce Shepherd, Chodorcross, 2nd vice-president and assistant comptroller, and Mr. Neumann.

Massachusetts Mutual, Richard C. Guest, vice-president; Union Labor Life, Eli A. Grossman, vice-president-actuary; Equitable Society, Morton D. Miller, associate actuary; Henry W. Steinhaus, research assistant; and Messrs. Murphy, Ogborn and Bailey; Equitable of Iowa, Kermit Lang, Assistant actuary; Provident Mutual, M. Albert Linton, chairman, and E. W. Marshall, vice-president and actuary.

Bankers of Iowa, E. M. McConney, president; Mutual of New York, Charles F. B. Richardson; New York Life, Willard A. Thompson, 2nd vice-president and actuary; and Occidental Life of North Carolina, J. M. Woolery, vice-president and actuary.

Representing consulting actuarial firms will be Dorrance E. C. Bronson, James A. Hamilton, Henry P. Morrison, and William T. Watson, the Wyatt Co., Washington; Joseph Linder of Wolfe, Corcoran & Linder, New York; and Donald B. Warren of Nelson & Warren, St. Louis.

The subjects to be discussed will include conditions that must subsist for a risk to be insurable, actuarial problems pertaining to reinsurance and especially to life reinsurance, and means of securing financial stability of insurance companies.

Mr. Howell is secretary of the United States permanent committee for the Congress.

Discuss '54 Revenue Act

Chicago Assn. of Life Underwriters and Chicago CLU chapter at a joint May 20 meeting heard the 1954 revenue act, its latest developments and their implications, discussed by several Chicagoans in a panel session presented by Chicago Life Insurance & Trust Council.

Henry Blumberg, partner of Blumberg & Smith, attorneys, writer and speaker on taxes and estate planning, was the moderator. Panel members were: Edward H. McDermott, partner of the law firm of McDermott, Will & Emery, former Treasury Department

consultant; Paul E. Farrier, vice-president of First National Bank, member of the estate and gift tax committee of the section on taxation of American Bar Assn. and advisor to the House ways and means committee in its study of the new revenue act; Gerard S. Brown, Penn Mutual Life, NALU committee chairman on federal law and legislation and a participant in the hearings on the present act in Washington, and Raymond A. Hoffman, partner of Price, Waterhouse & Co., accountants, chairman of Illinois Society of Certified Public Accountants' committee on estate planning.

Has Rally for Wash. Agents

Executives from the western home office of Prudential met with some 200 Washington agents at Seattle to discuss the company's expansion plans in that area.

Included in the party from Los Angeles were Harry J. Volk, vice-president in charge of western operations; Edward F. Baumer, public relations director; Harry E. Wilkinson, director of ordinary agencies; Joseph Ehrenreich, chief economist, and Harry Gilliland, manager of advertising and public information.

McNaughton Sets Up in S. F.

William McNaughton, recently named vice-president of Sunset Life of Washington, has established California headquarters in the Pacific building at San Francisco. Before going with Sunset, Mr. McNaughton was manager for Beneficial Standard at Seattle.

Life Managers' Outing

Life Managers' Assn. of Greater New York will hold its annual outing and golf tournament at the Plandome (L.I.) golf club June 8.



The Saving Touch

cuts typing costs

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The wear-and-tear you save your typists when you switch from manual typewriters to fast IBM Electrics means big dollar savings to you.

Actually, IBM's easy, fingertip touch and electric control greatly increase typing production through saving 95.4 per cent of the energy required to operate a manual typewriter. *A whole hour's typing on an IBM requires less energy than 3 minutes on a manual!**

Add to this the benefits of finer-looking work, better morale among your staff, greater prestige among your customers, and it's easy to see why business firms have bought more than 3 times as many IBM's as all other models of electric typewriters combined!

For full information, write Dept. NL-1, International Business Machines, 590 Madison Ave., New York 22, N. Y.

*By actual mechanical measurements, of inch ounces of energy for key, space bar and carriage return operations.

EDITORIAL COMMENT

Bright Promise in A&H Advertising Code

Adoption of a code of advertising ethics by Health & Accident Underwriters Conference constitutes the first positive action such a large number of companies have taken to put themselves on record as to how they will present their product to the public. It is significant that the conference was the organization to initiate this move, because its membership is comprised of all types of insurers—casualty, life, and specialty, doing business on the stock, mutual and reciprocal plans—and it is no small matter to get such a variety to agree on any sort of statement of policy, especially one that carries so much in the way of implication.

Those attending the conference meeting had every reason to understand the necessity for the insurers to take a step affirmatively to demonstrate their awareness of criticism that lately has been leveled at the A&H business and at the same time to demonstrate the ability of the business to cope with the matter on its own initiative. A code of ethics of itself has no more than moral persuasive power unless it is accompanied by some means of enforcement, and the conference saw to it that those of its members who choose not to go along with the rules will no longer be members of the church. Even though it has been arranged that if it becomes necessary to terminate membership of a company it will be done in an orderly and quiet manner, the fact remains that such information will get out and within a short time everyone in the business would know it. Nobody likes to be expelled for infractions of rules of decent conduct, and it is only to be expected that no one will be. The code was adopted unanimously and with enthusiasm. Each company received a copy at the time of the meeting and will receive additional copies in due course. The code is something to be read and compared with advertising practices. If something shows up to be out of line it is up to the company to make a correction promptly.

Conference members write more than 65% of the total individual A&H business. A number of representatives of companies in Bureau of A&H Underwriters who are also conference members, were consulted in preparing

the code. It is to be anticipated that the bureau will take action along similar lines, so that the great bulk on the A&H business will have taken the leadership in its own hands to state its position in definite terms on the score of advertising.

There can, of course, be no implication that non-members of the conference automatically are not adherents to the advertising code. However, the code is being distributed to the insurance commissioners, and it is available to them as a guide, representative of what the majority of companies feel should be done in the way of advertising.

The code itself can hardly be regarded as a minimum type of production. The standards it sets are high and repeatedly there is reference to the need for avoiding implications, its two basic standards requiring advertising be truthful in fact and in implication and that it not have the capacity and the tendency to mislead. Following these basic standards, the companies list 14 particulars on which they agree care should be taken.

It remains to be seen what the commissioners individually will do with such a code available to them. For those companies having agreed to abide by its standards, the best approach would seem to be to let the self-policing system have its chance. That would line up by far the greatest part of the business in one camp; and there would remain as trouble spots those very same companies which have been referred to repeatedly as being in the small minority, but able to produce the largest number of complaints.

The conference has no control of any kind over the activities of companies not within its membership. The organized companies have said right along that their own members are free from any suspicion, and that the commissioners should be directing their attention to the relatively few insurers bringing on the disturbance. The advertising code is one means of emphasizing this point. The companies will be doing their own policing in one of the areas in which it is possible.

The action of the conference has an appearance of being only a start. A&H insurers are well aware that they are

being criticized heavily for cancellations, for example. Already in one state, and others could follow, there has been agitation for a law to require companies to give notice equal to the length of time a policy has been in force before cancellation can take place. Even though this is a matter of individual company underwriting and claim practice, it is evident that if the insurers don't set up some rules of their own, the states will do it for them if there is enough pressure. The companies know this, and the fact that an advertising code was adopted quickly and unanimously shows they are ready to act.

There has been some pushing and pulling to get this far, but now that the initial, and toughest, line has been crossed, the outlook for the A&H business to take strong hold of its own problems is bright indeed.

Donors. Mr. Volk has been president of AID since its inception. More than 600 members attended the dinner of the group that raises funds on behalf of charitable health and welfare agencies.

J. Finlay Allen, vice-president and secretary of Home Life, was honored on his 25th anniversary. President William P. Worthington paid tribute to Mr. Allen and presented a gold watch and service emblem on behalf of the company. Mr. Allen started with Home Life's actuarial department in 1929. He became assistant secretary in 1933 and secretary in 1941. He was elected vice-president and secretary in 1950.

L. Alexander Mack, publisher of *Weekly Underwriter*, has marked his 50th anniversary in insurance journalism. He started as business manager of *Weekly Underwriter* and purchased it in 1913. He began in newspaper work in Ithaca, N. Y., in 1901.

Lawrence J. Larson, executive vice-president of National Guardian Life, Madison, Wis., has been elected president of the local Chamber of Commerce and Foundation.

Jake Shawan, a member of the Columbus, O., agency of Ohio State Life, has been elected mayor of Marblecliff, a suburb of Columbus.

Ambrose D. Fogarty, 63, general agent for American Mutual of Des Moines, is in Mercy hospital in critical condition with a cerebral hemorrhage.

Lewis A. Capone, Prudential, has been elected president of the El Paso, Tex., Central Council of Social Agencies.

Powell B. McHaney, president of General American Life, has been named to an advisory committee for the 1955 campaign of Greater St. Louis Community Chest.

Anna Mae Eastlack, daughter of **Allen C. Eastlack**, vice-president and actuary of Bankers Security Life of Iowa, and Mrs. Eastlack, will be married May 29 at Humboldt, Ia., to Gene Verbrugge, an engineer with Allison Motors Co., Indianapolis.

DEATHS

GEORGE KABURECK, 65, president of Commonwealth Life since 1940, died of a heart ailment in a Tulsa hospital after an illness of more than a year. He had lived in Tulsa since 1932.

RAYMOND P. MECHERLE, 50, president of State Farm Mutual Auto and a member of the executive committee, died of a heart attack in his home at Bloomington, Ill. He was also vice-president of State Farm Life and State Farm Fire and a board member

PERSONALS

Charles H. Biesel, whose appointment as manager at San Francisco for State Mutual Life was reported in last week's issue, has long been active in CLU affairs. He is immediate past president of the San Francisco chapter and a former director of the American Society of CLU. He has been



C. H. Biesel

life manager of the Swett & Crawford general insurance agency at San Francisco, which represents Union Mutual Life.

Marue A. Carroll, veteran general agent of Northwestern Mutual Life in central Wisconsin with headquarters at Oshkosh, was reelected president of Northeastern Wisconsin Golf Assn. One of Wisconsin's outstanding golf executives, Mr. Carroll has given 40 years of continuous service, the first 25 years as secretary-treasurer and the last 15 as president.

Edward B. Raub, chairman of Indianapolis Life, will be honored by De Pauw University with conferment of an honorary degree June 6. Mr. Raub, one of the founders of Indianapolis Life in 1905, graduated from De Pauw in 1898 and later continued his education at Indiana law school.

Harry J. Volk, vice-president in charge of the western home office of Prudential at Los Angeles, was honored at a luncheon there marking the third anniversary of Associated Ingroup

The NATIONAL UNDERWRITER

—Life Insurance Edition

EDITORIAL OFFICE:

99 John St., New York 38, N. Y.
Editor: Robert B. Mitchell.
Assistant Editor: Warren Kayes.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Walnut 9801. O. Robert Jones, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Manager.

CHICAGO EDITORIAL OFFICE:

175 W. Jackson Blvd.,
Chicago 4, Ill.

Associate Editors: John C. Burrledge, Charles C. Clarke and William H. Faltyssek.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor; Arthur W. Riggs, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DETROIT 26, MICH.—607 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Resident Manager.

ADVERTISING OFFICE:

175 W. Jackson Blvd., Chicago 4, Ill.
Advertising Manager: Raymond J. O'Brien.

SUBSCRIPTION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio.
Circulation Manager: Daniel E. Reynolds.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3953. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

Howard J. Burrledge, President.

Louis H. Martin, Vice-President.

Joseph H. Head, Secretary.

John Z. Herschede, Treasurer.

420 E. Fourth St., Cincinnati 2, Ohio.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Clarence W. Hammel, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Bernard J. Gold, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.



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of the three companies. Mr. Mecherle went with the State Farm Companies in 1924, becoming president of the auto company in 1937. Throughout his career he devoted a great deal of attention to the sales end of the business, as well as publicity and public relations. For the past two years he was an active member of the legislative committee of Illinois State Chamber of Commerce.

Among the survivors is a brother, G. E. Mecherle, who is vice-president and secretary of the auto company and vice-president of the life company. Another brother, Herbert L., is a member and secretary of the board of State Farm Fire.

IRWIN HERTZMAN, 58, for the past 33 years a general agent at Louisville for State Mutual Life, died suddenly May 15. In 1921 he formed a partnership with his brother to represent the company there. The partnership was State Mutual's oldest in length of continuous service. He was a combat veteran of both world wars, a CLU, and a member of the Million Dollar Round Table.

LEWELL W. CLENDENEN, 50, assistant manager of the claims department of National Bankers Life of Dallas, died in a hospital there.

FRANK J. SARDAM, 73, for many years an agent of Northern Life of Seattle at Portland, Ore., died.

Elect Carrothers at S. F.

John W. Carrothers, Massachusetts Mutual, was elected president of San Francisco CLU chapter at its annual meeting. He succeeds Charles H. Biesel, State Mutual Life.

William E. Bills, Equitable Society, was named vice-president and Eda F. Hudson, Northwestern Mutual Life, was reelected secretary.

Speaker was Walter J. Felix, San Francisco CPA.

Annuity Life Being Formed

Annuity Life is being organized at Rogers, Ark., by Lewis Callison, J. F. Robinson and E. J. Bell. Mr. Callison has been vice-president of Reliable Funeral Benefit Ins. Co. of that city.

The intention is to have capital stock of \$100,000, \$50,000 of which is to be paid in before the start of business.

Gore Named San Francisco Manager for Occidental

Harold G. Gore, superintendent of agencies in charge of new organization for Occidental Life of California, has been named manager at San Francisco.



Harold Gore

Before joining the company in 1949, Mr. Gore had 14 years' insurance experience. Starting as an agent for Prudential at Pittsburg, Kan., he was named general agent in Wichita for Lincoln National in 1944. In

1945, he became home office supervisor at Chicago for Occidental agencies in Illinois, Indiana, Kentucky and the western half of Michigan. He is a past president of Wichita Assn. of Life Underwriters.

Honor 25-Year Personnel

More than 30,000 years of continuous service, represented by more than 1,000 veteran home office employees, was marked at the annual dinner in New York City honoring the Twenty-Five Year Corps of Equitable Society. President Ray D. Murphy welcomed 147 new corps qualifiers, the largest group in the history of the event.

Standard, Ore., Changes

Standard of Oregon has introduced several new policies and revised others. Two new term contracts are offered, one for two or five years automatically convertible to special ordinary life. It features low rates during the term period and the minimum amount is \$10,000. Another two to five year term automatically is convertible to commercial ordinary life, and the minimum amount is \$5,000.

The 10-year renewable term and mortgage cancellation policies have been revised. The former now may be renewed to age 65, and the latter now is based on an initial amount of \$1,000 per unit and reduces in such a way that it exactly covers a 5% loan. A 25-year plan has been added.

A new payor income benefit rider is offered with policies issued at ages 0 to 14 and it provides insurance on the payor similar to that under a family income rider. Benefits under the disability monthly income rider have been increased and there has been a

reduction in premiums for the waiver disability benefit.

Occupational classifications have been revised both for life and A&H, lower ratings being provided in several classes, notably those in the logging and lumber industries.

Walter Rupert Heads Twin Cities Actuaries

Walter Rupert, Minnesota Mutual Life, was named chairman of Twin Cities Actuarial Club at the group's final meeting of the season.

Led by J. S. Hill, Minnesota Mutual, C. F. Pestal, Northwestern National Life, Norman Rosholt, Lutheran Brotherhood, and R. W. Parlin, Mutual Service Life, club members discussed new uses of electronic computers, new methods of valuing policies, and a suggested organization of a typical actuarial department.

N. Y. Blue Cross to Build

Associated Hospital Service of New York (Blue Cross) is planning a 10-story building adjacent to its present 17-story building at 26th street and Lexington avenue. Since the present home office building was acquired in 1947 the number of Blue Cross subscribers in the greater New York area has doubled to more than 5,500,000. The number of employees also has doubled. It is expected that the building will be ready for occupancy in September, 1955.

B.M.A. Has Indiana Meet

A sales meeting for Indiana representatives of Business Men's Assurance was held at Terre Haute this week. Noel Iiams, manager there, presided at the sessions and the home office was represented by J. W. Sayler, vice-president in charge of sales; Lile Hopkins, sales assistant; C. M. Barwicklow, assistant vice-president, and J. A. Criswell, manager of A&H claims.

Dr. Brown Retires

Dr. Leslie Brown, assistant medical director of Equitable Society at the home office since 1947, has retired after more than 28 years of service with the company.

A&H Men Elect Mielke

M. C. Mielke, Union Mutual Life, is the new president of Coumbus (O.) A&H Underwriters Assn. Robert M. Best, Business Men's Assurance, is vice-president and E. E. Emswiler, Retail Credit Co., secretary.

Hancock Elects Fitch 2nd V-P and Counsel

John Hancock has elected Samuel A. Fitch 2nd vice-president and counsel, effective June 1. A graduate of University of Texas law school, he was with a law firm and the Second National Bank of Boston before joining the company in 1939. He was named assistant counsel in 1942 and associate counsel in 1944.



Samuel Fitch

• New business of Bankers Life of Iowa for April totaled \$20,243,853, up 18% over the same month last year.

**If You Are Good
Why Play
"Second
Fiddle?"**



If you are a good producer, we have an unusual **DIRECT CONTRACT** which automatically puts you in "first chair" with a "virtuoso's share" of the premiums.

We have an exceptionally fine portfolio of standard and special life policies, plus accident, sickness, surgical benefit and hospitalization coverages

DIRECT AGENCY openings in:
Maryland, Ohio, Indiana,
Iowa, Kentucky, Missouri,
Mississippi and
Arkansas.



WRITE TO:
J. DeWitt Mills
Supt. of Agents

Mutual Savings Life

5701 Waterman

St. Louis 12, Mo.

CHECK the opportunities for a
SUCCESSFUL selling career with a
LEADER in low cost protection

General Agencies available . . . write Robert W. Staton, Director of Agencies

CENTRAL STANDARD LIFE
Founded 1905 — **INSURANCE COMPANY**

211 W. Wacker Drive

Chicago 6

N. Y. Slates Hearing on Uniform Allocation

NEW YORK—The New York department will hold a hearing at 10 a.m. June 18 to consider its proposed regulation for the classification and allocation of income and expenses by life companies licensed in New York state.

Superintendent Bohlinger said the hearing is being held preliminary to the promulgation of a formal regulation to be effective on Jan. 1, 1955. The first part of the proposed regulation deals with rules for the classification of income and expenses, while the second establishes standards for the allocation of expenses between lines of business and between insurance and investment operations. It is being formulated pursuant to a new section of the insurance law enacted last year. The regulation is based on data obtained through field surveys conducted by department personnel as well as responses to a three-part questionnaire distributed to life insurers licensed in the state.

Mr. Bohlinger pointed out that the first part of the proposed regulation

will not be made effective for 1955 where this section is in conflict with the National Assn. of Insurance Commissioners' instructions for completing annual statement blanks. Moreover, he added, consideration will be given to suspending such parts of the regulation for 1956 if the differences have not been resolved by then.

John Hancock Cleans Up

As part of the greater Boston Chamber of Commerce's fifth annual clean-up, paint-up, fix-up campaign, John Hancock is holding a "spring round-up" Friday morning, at which 5,000 employees will round up surplus supplies, machines, and office equipment in their areas, and route them off for storage, the waste pile, or to spots where they can be better utilized.

Mutual's Myer Agency Leads

Mutual of New York's agency in New York City, of which Richard E. Myer is manager, led the company in volume and number of policies sold in April. Boston ranked second in volume, followed by New Orleans. San Diego was second in number of policies, followed by Wichita.

CLU Study Material Will Now Include A&H

Major revisions in study material for CLU examinations, made by the examination board of the American College at a meeting in Philadelphia, are the inclusion of A&H insurance in part A (life insurance fundamentals) of the CLU series, and the revision of the first section of part D (finance) to incorporate a new approach to banking and credit. New material for part E (the practice of life underwriting) has been under study for some time and will be field tested shortly.

Discussion of the expansion of study material on A&H has gone on for several years, and the latest book published by the S. S. Huebner Foundation for Insurance Education, *Accident & Sickness Insurance*, will be the text on the college's suggested reading list. *Financial Institutions*, edited by E. W. Boehmle, is the suggested text for the revised finance examination material. The plan for part E is to adopt a uniform program of study based on cases, and study material for this part is *The Practice of Life Underwriting*, prepared by Harold W. Gardiner, educational director of Northwestern Mutual and chairman of the education and training committee of LIAMA. The examination board is headed by James E. Bragg, Guardian Life, adjunct professor of insurance at New York University.

Geist Heads 3rd Chicago Agency of Mass. Mutual

Massachusetts Mutual Life has opened a new general agency in Chicago and appointed Herbert Geist general agent. The new agency is located in Insurance Exchange building, 175 West Jackson boulevard. This is the third agency in Chicago; the others are the Earl C. Jordan agency in One LaSalle street building and the John W. Lawrence agency in the Field building.

Mr. Geist was honored by his business associates at a reception. Home office representatives present were Director of Agencies Kenneth W. Perry and Superintendent of Agencies James R. Martin.

Mr. Geist the past year has been brokerage manager in Chicago for Connecticut General Life and before that for two years was with the company at New York City. He also served in New York City for one year as manager for Guardian Life, and for three years as an agent for State Mutual Life. A navy air force veteran, Mr. Geist served this year as insurance chairman for the Chicago Heart Fund.

Miss Karene Is Leader

Ethel B. Karene, Union Central, New York City, led her company in paid production for the first four months of 1954. This follows the mark she made in March, when, as top producer for the initial quarter of this year, she had more than \$500,000 to her credit. During March alone Miss Karene wrote \$280,450, putting her in second place that month behind March leader S. M. Sitomer, also of New York.

Alford, Murphy Win Pru Awards

Two Chicago Prudential agencies—Don K. Alford & Associates and Robert J. Murphy & Associates—won Presidential Citations for their outstanding efforts in 1953. Sidney A.

Kent, executive director of the Mid-America home office, who presented the citations at banquets held by each of the agencies, made special note of the achievement of winning the citations in the first year of business, which was the case for both agencies.

**LEADER IN
WORLD-WIDE LIFE
INSURANCE and
pioneer in employer-
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protection plans, the
Sun Life of Canada
gives unequalled
service to the holders
of nearly two million
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certificates, from
offices situated in
strategic key centers
around the globe.**



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Contact us regarding either the sale or purchase for CASH of the capital stock or management contracts of insurance companies. All negotiations confidential.

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We Salute...

**OUR GENERAL AGENT
J. W. MILLHOLLAND
COLUMBUS, OHIO**



Throughout his long and successful career with The Ohio National, extending over a period of nearly 40 years, General Agent J. W. Millholland of Columbus, Ohio, has exemplified the best in agency leadership. One of the most devoted and tireless members of our field organization, Mr. Millholland has done a superb job as the builder of one of our finest agencies. His service to the insuring public has always measured up to the highest professional standards, and he has inspired many ambitious young men to success in field underwriting.

**THE OHIO NATIONAL
LIFE INSURANCE CO.
Cincinnati**



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Equitable Society Breaks All Records

Equitable Society's 1954 April campaign honoring President Ray D. Murphy broke all records for 95 years. More than 6,500 members of the agency organization rolled up 64,613 ordinary applications for better than 258% of the quota and a volume of about \$314,850,000.

Group volume exceeded \$422,500,000, bringing the grand total to almost \$750 million written. Other than reaching an all-time high in number of sales, the company had the best April and best four months in history in par ordinary business.

The north central department again won the area competition with 310% of quota. Other regional departments and the quota percentages are southern 263, northeastern 250, south central 240, New York metropolitan 235, and western 224.

C. L. York agency of Toledo led with 554%. E. A. Vossmeier agency, Nashville, with 531% was second and the F. W. Hill agency, Albany, with 521%, third.

In ordinary the F. G. Holderman, Jr., agency, Peoria, wrote the most cases, 3,174, and had the greatest volume, \$12,307,895. The A. D. Hemphill agency, San Francisco, placed second in both categories with 1,623 lives totaling \$9,176,279. The Ben T. Embury agency, Kansas City, finished third in cases with 1,434, while the W. V. Woody agency, Chicago, was third in volume with \$8,176,971.

Agency group leader was the Sid Smith organization, New York, with \$59,965,500. Taft Woody, Harrisburg, had \$34,355,000 and his brother, W. V. Woody, took third place with \$25,993,253.

Miss Mildred Kornhauser of the M. Reibsen agency, Manhattan, ranked highest in two categories and became the first woman to win a nationwide Equitable campaign. She was the top agent nationally in ordinary applications, followed by E. E. Storey and F. S. Kefauver, both of Vossmeier agency. Miss Kornhauser did best also in binder volume, a new campaign category, with a \$616,777. G. M. Blakely of the H. P. Drake organization, Portland, Ore., was second, and R. Boyce of the G. W. Holt agency, Newark, third.

Under a new measuring system, the Donald L. Bryant unit of the Holderman agency won first place in unit campaign production. The Donald J. Mooney unit, Hill agency, and the H. E. Newton unit, York agency, ranked second and third.

Group case winners were D. M. Lake, E. M. Barger agency, Memphis; Robert O'Leary, Herman Moss agency, Cleveland, and Bill Morris, L. M. Wilson agency, Little Rock.

Leading agents and unit managers from each department will be honored at meetings to be held by Mr. Murphy this month in Washington, Chicago and Los Angeles.

Explains Wis. Funeral Trust Law

The new Wisconsin trust law for pre-paid funerals, passed at the last legislature, was explained at a meeting in Milwaukee of Wisconsin Funeral Directors Assn. by Harold J. Ruidl, its executive secretary.

Prearranged funerals can be paid for in any amount, deliverable at any time, he said. The individual can withdraw

funds at any time, but the funeral director can only use the funds on the individual's death. Previously, he said, some persons made "pre-need contracts" with individual directors and often they were allowed little or no control over the amount of money paid in.

Hoffmann Joins Jacobson Agency

Harry C. Hoffmann has been appointed brokerage manager of the Jacobson agency of Baltimore, which represents Crown Life, General American Life, and Manhattan Life. Mr. Hoffmann is a CLU.

No DLB Assessment for N. Y. Special Fund

There will be no assessment this year under the New York state disability benefits law for the special fund for disability benefits, according to Miss Mary Donlon, chairman New York State Workmen's Compensation Board.

Under DBL, assessment against insurers who provide such benefits is levied at the close of the state's fiscal year, March 31, whenever the balance in the fund on that date is \$1 million or more below either the sum of \$12

million or twice the sum of benefits paid out of the fund during the preceding fiscal year, whichever is greater.

Net assets of the special fund April 1 were \$11,439,847. Net benefits paid out of the fund during the year ended March 31, totalled \$554,512. Accordingly, Miss Donlon has ruled that no assessment is necessary this year.

● Cashiers representing 15 Mutual Benefit Life agencies conferred at Newark with members of the home office staff and toured company departments.

NOW AT EVEN LOWER COST!

PREFERRED RISK WHOLE LIFE POLICY

\$10,000 Policy Illustrations

Effective May 1, 1954. Minimum sum insured \$7,500.

Disability Waiver of Premiums also available at new low cost.

	AGE 20	AGE 30	AGE 40	AGE 50
ANNUAL PREMIUM	\$ 161.90	\$ 216.10	\$ 301.80	\$ 444.50
20 YEAR SUMMARY^(a)				
Premiums	3,238.00	4,322.00	6,036.00	8,890.00
Accumulated Dividends ^(b)	1,149.30	1,552.90	2,144.80	3,078.80
Cash Value	2,526.30	3,279.90	4,163.90	5,117.80
Net Surrendered Cost	437.60	510.80	272.70	693.40
20 Year Average				
Surrendered Cost per \$1,000	2.19	2.55	1.36	3.47
	Return over cost	Return over cost	Return over cost	Return over cost

^(a) Figures involving dividends apply to policies issued on or after May 1, 1954 and are not guaranteed but are merely illustrations based upon current experience.

^(b) Accumulated dividends (including settlement dividend payable only upon surrender).

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MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS

Kirkpatrick Deflates 'Irresistible Demand' for U. S. Welfare Plans

COLUMBUS, O.—The supposedly irresistible public demand for federal health reinsurance, higher social security benefits, and expanded federal aid and controls over state and local welfare activities was deflated by A. L. Kirkpatrick, insurance department manager of the U. S. Chamber of Commerce, in his talk before the Insurance Federation of Ohio here.

"It seems clear that the demand for federal action does not come from the grass roots but rather from a few vocal labor leaders and organized minority groups," he said.

Mr. Kirkpatrick deplored the tendency in Washington to argue that "something has got to be done" to meet a supposedly irresistible public demand and that the proposal at hand is the least objectionable one under consideration and therefore should be adopted. He said it was high time to take a firm, positive and forward-looking stand in the matter of social se-

curity, health reinsurance, and federal control over state and local welfare work, all of which he declared are definite steps toward more and more federal responsibility over the lives, health and welfare of the individual citizens.

"There is," he said, "a common expression around Washington, 'take this or you'll get something worse'. The reference invariably has to do with the adoption of some sort of welfare, or give-away, legislation which is proposed as an alternative to more comprehensive proposals of the left-wing-ers."

"But there is a widespread feeling among Washington observers that the proper wording of the phrase should be 'take this and something worse.' There is little disposition to face up to the real issues in the health education and welfare field and meet them squarely on their merits."

Discussing the chamber of commerce proposals, Mr. Kirkpatrick said it favors expanding social security coverage to all employed persons and that because it is most important to expose the real costs of the present level of benefits, the chamber is proposing that

the present generation of workers treat the present generation of non-working aged "in exactly the same way we expect the working population of tomorrow to treat us when we are past 65."

Terming the federal health reinsurance proposal a "Trojan horse," Mr. Kirkpatrick said it seems plain that either the fund would not be used or it would attract classes of risks which are now regarded as uninsurable and would result in losses and government subsidy, plus federal controls over underwriting practices. Under the U. S. chamber plan the voluntary machinery that is available today would be used for financing health care costs for all who are insurable while those who are not, either because of poor health, advanced age or lack of money with which to pay the premium, should be taken care of by state and local governments.

The long-range issue, he said, is whether the federal government is to provide for the welfare of its individual citizens or whether it will be done mainly through voluntary efforts with local and state governments and private agencies caring for those who are

unable to care for themselves. He said that the Ohio insurance leaders can exert a powerful influence in their state if they will but take an active interest in this problem.

Heuer Named by Equitable Society at Los Angeles

Fred W. Heuer, agency manager at Salt Lake City for Equitable Society, has succeeded Kellogg Van Winkle as manager of the Los Angeles agency. Mr. Van Winkle recently retired after 33 years of service.

Dennis V. Peterson, district manager at Salt Lake, succeeds Mr. Heuer there. A Long Beach agency has been established with Wayne A. Fitzgerald as manager. He formerly was with the F. R. Shamel agency.

American Mutual Promotes Ellis

William C. Ellis, assistant sales service director since 1942, is the new director of sales service for American Mutual of Des Moines. Mr. Ellis will be responsible for advertising, sales promotion and publicity. He has worked for Look magazine and the Des Moines Register & Tribune.

OPPORTUNITY for YOU with US

MEN WITH VISION!

U. S. Life's NEW EXPANSION PROGRAM needs qualified men throughout the country as

• GENERAL AGENTS

If you want to GROW with a GROWING Company—this is it! Definitely *not* an "everyday" opportunity. If you're looking for a limitless horizon, write NOW in strictest confidence to Maynard Shearer, Director of Agencies, 84 William Street, New York City.

OLDEST STOCK LEGAL RESERVE LIFE INSURANCE COMPANY IN THE U. S.

THE **UNITED STATES**
LIFE INSURANCE COMPANY

IN THE CITY OF NEW YORK

OUR
105TH
YEAR

ASSOCIATED WITH Continental Casualty Company, Continental Insurance Company, Transportation Insurance Company

LIFE • GROUP • A. & H.

SOMETHING to hang your hat on...

Bankers Life BUSINESS SPECIAL

.....designed to be a leader in its field.....to provide low cost permanent protection to buyers of larger amounts of insurance.....particularly fitted for the needs of the business insurance prospect.

The Business Special has proven to be one of the most important, and enthusiastically received, additions to the Bankers Life's salesman's long line of *saleable merchandise*. It is a policy plan that gives the Bankers Life salesman "something to hang his hat on" in any crowd.

Bankers Life
INSURANCE COMPANY of Nebraska

"A Confident Future for You and Yours"

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Advices Insurers to Set Up Long Term Credits for Exports

Advocating that private non-governmental institutions consider and, if possible, put into effect a plan to assist exporters with long term credits to promote trade, William R. Herod, vice-president of General Electric, suggested that insurance companies could determine a basis on which such a plan could be effected. He spoke at the annual Hemispheric Insurance Conference luncheon in New York City sponsored by U. S. Chamber of Commerce and Inter-American Council of Commerce & Production.

John A. Diemand, president of North America, presided. On the dais were, among others, Frank B. Zeller, Royal Liverpool, president American Institute of Marine Underwriters; William A. Hebert, president Springfield F. & M.; A. F. LaFrenz, president American Surety; Joseph F. Murphy, deputy superintendent of New York insurance department; James P. Forde, chairman of Manhattan Life and New York Board of Trade; Chase M. Smith, general counsel Lumbermens Mutual Casualty; James L. Madden, vice-president of Metropolitan Life; Harrington Putnam, assistant general manager of American Foreign Insurance Association; and A. L. Kirkpatrick, manager insurance department of the chamber.

Mr. Herod said he hoped that after the Randell commission report, Capehart committee studies and President Eisenhower's recommendations, a reactivation of the export-import bank will be forthcoming, particularly where identification with American exports is concerned, even of a capital goods developmental nature.

"But even better," he said, "would be a private non-governmental institution which could insure credit or even extend finance in this connection. There should be within private enterprise a degree of resourcefulness and imagination which could determine a basis on which, privately, the insurance of credit or the extension of finance for longer than short terms could be effected, with rates appropriate to the risks. Much would have to be done to improve the economic and political climate in many of the recipient countries. But if the rate of charge were permitted to float up or down according to the risk and the country, there would be a premium on the establishment of better climatic conditions and the enjoyment of more favorable rates."

In connection with western hemisphere relationships he urged reconsideration on the part of the respective national governments of simplification of customs and travel procedures.

Remember, he adjured, that ordinary business—insurance and other forms—can be of tremendous assistance, and through initiative and enterprise can promote economic development together with cultural friendly understanding.

Agent-Embezzler Sentenced

Mrs. Maebelle Hiscock, Union Mutual Life agent at Portland, Me., was sentenced in superior court, Portland, to two to four years in the state prison after having been found guilty on one of two counts of embezzlement. She had pleaded guilty to a charge of embezzling \$10,000 from a policyholder.

She was also charged with embezzling \$6,000 from her company. Both sums were involved in a \$16,000 policy bought by a policyholder, John E. Bradford of Winslow, Me. The sentence was for the \$10,000 count. The other charge has been placed on file by Justice Percy T. Clarke in superior court.

Knowles Heads National Life Agency in E. Iowa

National Life of Vermont has appointed Paul W. Knowles general agent in eastern Iowa, including the tri-city area, with offices at Davenport. He has represented the company in the area as district manager at Davenport several years. The district has been under the jurisdiction of Charles A. Kuttler who will continue to be general agent for central Iowa.



P. W. Knowles

Mr. Knowles began selling for National Life while in college, and for two consecutive years he qualified for the Leaders Club. He was appointed district manager at Davenport immediately after graduation.

A specialist in estate planning and business life insurance, he received the CLU degree in 1951. Recently he attended the company's educational conference in Florida, qualifying for attendance by sales in excess of \$1 million. He is vice-president of Iowa Junior Chamber of Commerce and a past president of the Davenport junior chamber.

NLRB Orders Election by Pa. Industrial Agents

National Labor Relations Board has dismissed petitions of Insurance Workers of America, CIO, and Insurance Agents International Union, AFL, in a case involving United of Chicago and has ordered an election within 30 days among company employees in Pennsylvania to determine whether or not they desire to be represented in collective bargaining by one or the other union. After the hearing United filed a motion to dismiss the petitions on the ground that its industrial agents are not employees but independent contractors. The motion was denied.

Beneficial Standard Names Joseph Schwartz V-P

Joseph Schwartz has been appointed vice-president of Beneficial Standard Life of Los Angeles.

Starting in the business with Union Central Life in New Hampshire in 1932, Mr. Schwartz has since served as general agent for Union Mutual Life and Columbian National Life at Newark and San Diego. He is author of a book "In Pensions We Trust" and has served as superintendent of pension trust for Occidental Life of California. For the past four years he has headed his own consulting firm.

N. W. Mutual Has Best April

Northwestern Mutual Life's April sales volume hit an all-time high for the month, totaling \$43,292,160, a 1.6% gain over the same month in 1953. Sales for the first four months are up \$1,293,600 over the comparable 1953 volume of \$179,606,433, second only to the record set for the first four months in 1947.

Chicago CLU chapter will hold four-hour cram sessions on parts A, B and C June 7 and 8. Director of the CLU courses is Howard E. Clarke, Evanston, Ill.

Cowles Heads Agency Officers Round Table

LIAMA's agency officers round table elected James H. Cowles, vice-president and manager of agencies Provident Mutual, chairman at its meeting in Williamsburg, Va. He succeeds Stanton G. Hale, vice-president for sales of Mutual of New York.

Elected to the committee for three year terms were Raymond C. Johnson, vice-president in charge of agency administration New York Life; J. A.

McAllister, vice-president and director of agencies Sun Life of Canada; and Charles H. Schaaff, vice-president Massachusetts Mutual.

Broms to Camps Agency

Nelson Broms has joined the M. L. Camps John Hancock agency at New York City as agency assistant. He entered the business with Security Mutual of Binghamton, specializing in group insurance, and in 1950 was named its resident group manager at New York, becoming brokerage supervisor in 1952. He is a veteran.



Are you too trusting? Do you think all Sickness & Accident policies are alike? You won't think so—and your prospect won't think so—when you and he together run down the list of advantages and extra privileges which UM Noncancellable & Guaranteed Renewable Sickness, Accident and Hospital Policies provide. There's a UM Non-Can policy designed for every Sickness and Accident need and every one of them has built into it vital, unique, sales-points like these:

- 1 It is **NONCANCELLABLE** and **GUARANTEED RENEWABLE**. This means that as long as you pay the deposits the company cannot cancel, change or add a restrictive rider to the contract for any reason whatsoever.
- 2 You may **CHANGE TO A MORE HAZARDOUS OCCUPATION** without changing your deposits or benefits.
- 3 There is **NO LIMIT** to the number of claims.
- 4 You are considered disabled when you cannot work at **YOUR OCCUPATION** or one for which you are fitted.
- 5 You do **NOT HAVE TO BE CONFINED TO THE HOUSE** to receive benefits under this plan.
- 6 The **COMPANY WILL PAY** any deposit due during total disability that continues more than 90 days, and also refund any deposit which you may have paid during that 90 day period.

Underwritten by

UNION MUTUAL LIFE INSURANCE COMPANY OF PORTLAND, MAINE
Canadian Head Office — Montreal, P. Q.

America's Eighth Oldest Life Insurance Company.
Rolland E. Irish, President • John R. Carnochan, Vice President
in Charge of Agencies.

LIFE UNDERWRITERS SINCE 1848

Recent Events Spotlight Mutual Fund Competition

(CONTINUED FROM PAGE 1)

ry a sideline of mutual fund shares in their briefcases, as some are already doing? One course that has been suggested, though not thus far taken very seriously, is that a life company could set up an affiliate, much as Teachers Insurance & Annuity has set up College Retirement Equities Fund, that would provide an insured investment program like a mutual fund with group insurance, but with the added advantage of being able to offer the annuity option to the beneficiary in case of premature death or to the investor at retirement. In College Retirement Equities Fund this is done not as a share in the earnings of the fund.

Studies by Teachers indicate that investing half the premium dollar in guaranteed-dollar annuities and half in equity annuities produces an income that is much steadier in terms of purchasing power over the years than either type of annuity would produce by itself.

The spectacular rise in sales of mutual fund shares in recent years has been due in large part to the rise in stock prices and to the buyers' wish to

have a hedge against inflation. The enhanced saleability of mutual fund shares has been reflected in the accelerated activities of firms like First Investors Corp. that are not mutual funds themselves but sell shares of mutual funds on an installment purchase basis. The acceptance of mutual fund shares makes it profitable to employ crews of salesmen to canvass intensively for the sale of these investment programs.

In a severe depression, mutual fund shares would presumably take a nose-dive in popularity and the dumping of shares by panicky investors might add substantially to a stock market debacle. But if it is true that because of stock market safeguards and government controls ready at hand this country is not going to have any more catastrophic stock market crashes, it could happen that mutual fund shareholders and other equity investors never got sufficiently scared in sufficient numbers to exert any perceptible influence on the market.

Another consideration is that the mutual funds, with their constant purchasing of additional stock as they sell their own shares, act as a constant support to the stock market. The effect will be intensified as more and

more people get the habit of buying fund shares periodically, in the same automatic way that they pay their life insurance premiums.

A possible additional stabilizing factor is that the stock markets have strenuously been trying to dispel the notion that the stock market is strictly a place for big-time operators and the little fellow had better stay out or he will come home without his fleece. The more that the markets get to depend on the little fellow the more likely they are to be conscious of the value of his good will and to regard him as a worth-while customer and not as a victim.

If the current recession is really leveling out and business in general picks up in the fall, as many of the more reputable prophets are predicting, the effect should be decidedly helpful to the mutual funds, for such a fast economic recovery after such a relatively slight recession will be widely accepted as meaning that a big bust no longer needs to follow a boom. Many potential buyers who are still wary of the gyrations of common stocks will come to think of an investment in "a share in America" as something more stable than they have up to now.

Where will all this leave the life insurance business, particularly the agents who have been meeting with competition from mutual fund salesmen? It seems unlikely that much help can be expected through legislation of the type sought by NALU, aimed at outlawing the sale of group life insurance to guarantee payment of mutual fund purchase programs. The difference in character between life insurance investments and mutual fund investments is a difficult one to get across to legislators. They are more likely to see that life agents have to some extent been hurt competitively by the activities of mutual fund salesmen. It will be difficult to convince the solons that competition isn't the real reason.

Should the companies ignore the mutual funds' inroads into the agents' market? Probably the answer will depend on the extent to which each individual company's agents are being bothered by this competition. Doubtless there are many companies whose agents rarely if ever find themselves in competition with a mutual fund salesman.

For companies that are affected to any great extent it seems likely that remedial steps will be found as quickly as is practicable. Twenty-five or 30 years ago it would have been a good guess that the response would have been much slower. But today there is an atmosphere of competition within the life insurance business from the biggest companies down to the smallest. If a company feels that its agents are losing any substantial amount of business to the mutual funds, it is in a position to mobilize without any long waking-up process.

Thus far the effort has been largely educational—in fact, that was the basis for much of the demand for extra copies and reprints of the Victor Goldberg talk.

Thus far, at least, the hope is that the competition can be kept from getting to be a slugfest. The cooler heads on both sides of the fence feel that sort of thing would be bad for everybody. In the tug-of-war between the individual agent and the individual mutual fund salesman it is hard to maintain that detached viewpoint, however.

A large part of the bitterness could

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An old line legal reserve 30 year old life insurance company. Insurance written for any military rank — No War Clauses — No Aviation Restriction Riders — Worldwide Coverage — on Army, Navy, Air Force and Marine Personnel — AT STANDARD RATES.

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Leading Eastern Life insurance company has opening in established Brokerage Agency for an experienced Brokerage Supervisor to head this operation—Life, A & H, Hospitalization, Small Group, Major Medical. Remuneration on attractive salary and bonus with real opportunity for advancement. Write giving full details of background experience—All replies will be treated in confidence. Address Z-16, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Leading Southern Company has attractive opening for qualified man to head new A & H Claims Department. Full particulars as to experience. Salary open. Inquiries strictly confidential. Address Z-14, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.



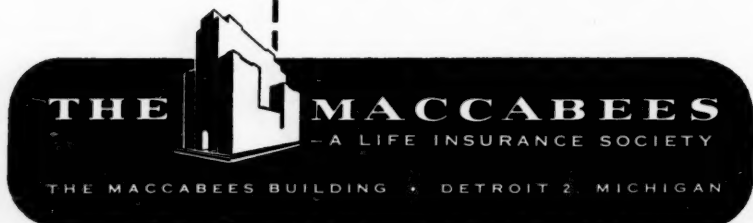
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We are now in the midst of a field expansion program. This has opened many opportunities for rapid advancement. For further details write to Robert O. Shepler, Field Director.



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probably be removed if there were some agreement on how much life insurance a man should own before starting to put any money at all in a risk-type investment like mutual fund shares. Life insurance men don't deny there is a place for equity investments once the life insurance needs are taken care of. And mutual fund executives frequently declare that no one should buy fund shares or any other equity investment before building up a savings account and "adequate" life insurance.

The entire controversy centers around that word "adequate." It's been suggested that the mutual fund people and the life insurance people get together and agree on what the word "adequate" should mean in various typical situations. The difficulty with this suggestion is that it takes so much life insurance to enable a man's family to live on anything like their accustomed scale should he die. If nobody bought equity investments until after acquiring a truly adequate life insurance program, the mutual fund salesmen would have few prospects outside of the extremely well-to-do.

Ind. Agents Ask NALU Reversal on U. S. Group

(CONTINUED FROM PAGE 1)

"It will be only a step to legislating on retention limits, with the ultimate squeeze making the business so unprofitable, private companies will withdraw. The government could then step in and self-insure without the criticism it would receive if it tried to set up the plan on a self-insurance basis from the start."

Other critics of the proposal foresaw the addition, in a few years, of dependents' coverage, spreading the plan to six million to 10 million people; an eventual drive of state, county, city, and township employees for similar discriminatory-rate plans; and increasing government regulation of the internal affairs of companies permitted to write the business, which would end up little short of federal regulation of the industry in the same way that New York's acquisition-cost law affects companies not domiciled in New York.

Discussion of the new social security bill was equally heated by denunciations of what was charged as being its acceleration of the trend toward welfarism. It was denounced from the floor as a bill that "Puts us a long step further toward being a kept electorate."

It was also charged that the business has been so concerned with helping in the passage of the new tax bill because of its many favorable aspects, that it has allowed its attention to be diverted from such proposals as the health reinsurance bill, the social security increase, and the federal group proposal. "The good effects of the revenue bill could be completely outweighed by the infamous effects of the latter three proposals," it was declared.

New association officers elected at the meeting are: President, Francis Davis, general agent, Indianapolis Life, Marion; vice-presidents, Edward Steinsberger, Prudential, Vincennes; G. W. Wolf, Lafayette Life, Lafayette; Ralph Griggs, Metropolitan, Indianapolis; Kenneth L. Wilkinson, Minnesota Mutual, South Bend; secretary, Mrs. Dorothy Shinn, Prudential ordinary, Columbus.

Among actions taken by directors was a directive to explore the possibility of legislation or administrative

directive allowing the association to review new and renewal license applications and present documented evidence to the department in cases in which it disapproved of the issuance.

A special committee appointed at the midway meeting in November under Verlin Harrold, general agent, Lincoln National, Fort Wayne, reported that it had, as suggested by the commissioner, set up an organization of 60 agents throughout the state who would assist the insurance department in the administration of the state license qualification law by spotchecking certifications that new agents have completed an approved course of study.

In his report as legislative chairman of the association, Mr. Pritchard stated that legislation would be sought in the next session of the general assembly to tighten the laws on formation of new companies. The legislation will follow the recommendations of a special committee of the association which reported at the midway meeting.

Mr. Pritchard also predicted there would be a concerted drive in the legislature to amend the group law to allow dependents' coverage, now barred. Such a drive in the last session almost killed a new group bill supported by the association and finally passed in the waning moments of the legislature.

A motion was also made for the association to put Mr. Pritchard's name in nomination for trustee of NALU in view of the withdrawal of Claude Jones, general agent, Connecticut Mutual, Indianapolis, present Indiana trustee, from the race. The motion was withdrawn at the request of Mr. Pritchard, who pointed out that this nomination would place him in an impossible position since he is chairman of the nominating committee.

A substitute motion was introduced and passed to the effect that the state association will place Pritchard's name in nomination for a trusteeship or office of NALU whenever he gives his consent. E. E. Kirkpatrick, general agent, Wisconsin National, former Michigan association president, declared from the floor that at any time Mr. Pritchard's name was placed in nomination for any NALU capacity or office, he would use his influence to work for him in Michigan.

At the end of his report, Mr. Pritchard was given a standing ovation for his legislative and other work in the interests of both the state and the national associations.

Corbett Gets Group Post

Southland Life has named Harry L. Corbett, III, manager of a new regional group office at El Paso. This is the third regional group office established by the company.

Coffee Wagon 5 Years at Mutual

"Welcome wagon," a desk-side coffee, milk and pastry service pioneered jointly by Mutual of New York and Schrafft's, is celebrating its fifth year with the company. The plan, which began as a 60-day experiment to improve personnel relations and reduce the amount of time lost when employees left the building for a second breakfast, has been extended by Schrafft's to include 200 firms.

N. Y. Life Acquires Painting

A painting by Dean Cornwell commemorating the 150th anniversary on May 14 of the start of the Lewis and Clark expedition, is now hanging in New York Life's agency department. The company commissioned the painting, which shows Lewis holding an octant and Clark seated on the ground studying a map.



Cooperation from Management Means Greater Production at Capitol Life

Home office interest and close relationship constantly provide Capitol Life men with new sales tools and new methods. It also results in a greater awareness of the field underwriter's problems.

At the far right, Kenneth L. Hobbs, Agency Secretary, with Field Underwriters Bill Garrow and Phillip Ward—Denver.

With Capitol Life you get these benefits:

- **Attractive commissions—Bonuses**
Liberal first year commissions plus lifetime renewals.
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A coordinated underwriting service for the field forces.
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Cooperative sales assistance to the men in the field.
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Complete line of policies with competitive rates.

Available to qualified field underwriters now residing in the 13 Western States.

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Build Your Agency with All-Americans

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How many times has a prospective client said to you . . . "Why doesn't your company come out with one policy to cover all my sickness and accident requirements?"

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Covering: • Lifetime benefits for total disability—accident • Five-year benefits for total disability—sickness, regardless of house confinement • Hospitalization • Surgical benefits • Blanket medical expense (accident) • Travel accidents • Accidental death . . . A COMPLETE package of protection.

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CONSULTING ACTUARY

ASSOCIATE
E. P. Higgins
THE BOURSE PHILADELPHIA

Maloney Tells Managers His Views of A&H Trade

(CONTINUED FROM PAGE 5)

at that—and in eventual self-destruction."

On the score of pre-existing conditions, the commissioner declared there is a decided need for eliminating the presumption of such without convincing proof. Denial of claims on the basis of mere suspicion is not carrying out the contract and certainly does not inspire public confidence, he said.

"As managers," Mr. Maloney asked, "is it your policy to tout the lifetime benefits in your sales and sales propaganda, but in the adjustment of claims consider it simply 'good business' to negotiate lump sum settlements whenever possible, even where no bona fide controversy or dispute exists?" If this is done it is contrary to the fundamental purpose of insurance and, "ignores completely the inherent social aspects of the insurance business. . . A policy of attempting to transfer back to the individual everytime an extended disability loss occurs, the very risk or burden insured against, defeats the very purpose of insurance. Its effect on the future of the business can only be adverse."

Mr. Maloney, who has been particularly strict in the matter of advertising, remarked that a company is not expected to print its whole policy in an advertisement, but unless a fair presentation is made of the benefits, including the exceptions, limitations and reductions, the business does itself a disservice as well as the public.

He added the advice that it does no good for a man to say that his company is all right and is operating on a highly ethical basis. "The few rascals who have invaded your field and are responsible for most of the criticisms certainly won't."

Although the business has every right to be disturbed about the adverse publicity and criticism to which it has been subjected, it is significant, the commissioner stated, that like the Armstrong investigation, this criticism has left the fundamental aspects of A&H insurance unchallenged and intact. From the long range point of view, he opined, such publicity may be a force for good and serve as the instrumentality by which the industry will achieve the greatest success. All that is necessary is to stimulate the business to adopt and adhere to a code of business ethics and practices.

Monograph Tells Problems of Writing UCD in Calif.

A study of the operation in California of compulsory disability insurance entitled "The Impact of a State Disability Act on Insurance Companies" by John S. Bickley has been published by Ohio State University.

Mr. Bickley in his paper says successful competition with the California state fund in writing UCD depends upon the ability of the companies to reduce operating costs and to adopt measures heretofore not widely accepted in the business. In his statistics he indicates there is a wide disparity between the success of insurers in writing this class, and concludes that profitable operations will depend on such factors as: Reduced renewal commissions; reduction in non-selling expense; application of more realistic underwriting criteria, and extension of coverage to small groups.

The private companies have not borne all of the problems, he said, not-

ing that the state fund has labored under difficulties produced by continual pressure by labor for increased benefits, uniform tax applied to all covered under the act, lack of an employer contribution, tendency toward malingering, and the competition of self-insurance.

The study is labeled research monograph 71 and sells for \$1. It is 44 pages long and contains seven tables, and can be had from the bureau of business research, college of commerce and administration, Ohio State University.

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FRATERNALS

Modern Woodmen to Stage National Parley at Chicago June 1-3

The quadrennial head camp, the national convention, of Modern Woodmen will be held in the Hotel Sherman, Chicago, June 1-3, with 178 delegates, members of various standing committees, national officers and agents attending. In the group will be 97 district managers who won a free trip to the event for meeting certain production requirements.

Included in the program is a banquet, June 2, when Dr. Preston Bradley, Chicago, will address the more than 600 in attendance. Officers to be elected for the coming four-year term are a board of seven directors, including the president and national secretary as ex-officio members, and a board of three auditors.

While in session the delegates will review the Modern Woodmen business transactions for the past four-year term and enact by-law changes. Reports of officers made to the head camp show a gain of \$25,357,000 in assets and \$31,591,000 insurance in force for the period, with 32,783 claims paid totaling \$44,925,000. H. L. Ruff, Rock Island, Ill., is president.

Florence Mitchell Named to High Royal Neighbors Post

Miss Florence Mitchell, Indianapolis, has been named supreme receiver of Royal Neighbors. She succeeds Mrs. Anna M. Cooley, Moline, who recently was named to the board of supreme directors.

Miss Mitchell, now Indiana supervisor for Royal Neighbors, will assume her new duties June 1. She entered field work with the society as a district deputy in Wisconsin, advancing to the Indiana post in 1953.

Selected as supervisor for Indiana is Mrs. Irene C. Bennett, Lafayette, a district deputy who is serving her fourth year in that position.

Austin Managers Club Elects Brumley, Hears Woodson

Raymond Brumley, Southland Life, was elected president of Austin, Tex., Life Managers Club at its May meeting. Earl Reinke, Metropolitan, is vice-president, and Roger Durette, American National, secretary.

Speaker was B. N. Woodson, president of American General Life, who offered several tips on financing of new agents, cautioning it always should be within the earning power limits of the man. He said it usually is possible to tell within three months if financing is beyond the agent's earning power. Although there are exceptions, he asserted the manager looking for them stands a good chance to lose considerable money.

To Equalize Insurance

Dividends in New Tax Bill

WASHINGTON—Senate finance committee has adopted a provision so as to treat dividends on all insurance company stocks like dividends of other companies, in the new tax bill. The matter of the proposed 14% credit on dividends to insurance corporations doing business outside the United States has not yet been acted upon, according to information from committee sources.

Montana Life Agents Choose H. E. Longmaid

Harold E. Longmaid, Jr., Helena, was elected president of Montana Assn. of Life Underwriters at its annual meeting at Billings. He succeeds Elbert H. Cosman, Billings.

George Wright, Jr., Great Falls, was named vice-president and Harold L. Paulsen, Helena, secretary. W. G. Preston, Great Falls, will serve as national committeeman.

The 1955 annual will be held at Helena.

Montana General Agents & Managers Assn. at its meeting elected Roy Waller, Kalispell, president succeeding Mr. Wright. Elton Robson, Billings, is vice-president, and Roy Bell, Great Falls, secretary.

Ohio A&H Men Elect Arnett at Columbus

Ohio Assn. of A&H Underwriters at its Columbus annual meeting elected Parker B. Arnett, Inter-Ocean, Youngstown, as its new president. William S. Steiger, Cleveland; Albert E. Richey, Columbus and Taylor Clark, Cincinnati, are vice-presidents.

R. W. Bickelhaupt of Cincinnati, the retiring president, will serve as chairman of the executive board.

Mr. Arnett was presented a membership trophy in recognition of his reorganizing the Youngstown association and greatly increasing its membership.

In conjunction with the convention there was a sales congress at which the principal speakers were R. L. McMillon, Business Men's Assurance, Abilene, Tex.; Jack Wardlaw, of Raleigh, N. C., and Spafford Orwig, a member of the board of the International association.

George H. Saville, director of public relations for Ohio Medical Assn., addressing the A&H group, gave some comments on advertising and public relations. Mr. Saville characterized as "seductive" advertising which states that cash benefits may be used "for any purpose" or "for any other need" than hospital and doctor bills.

The A&H policy is being offered to help the public meet a specific need, the cost of illness or accidental injury, Mr. Saville said. "It may be an effective and resourceful sales approach to tell prospects that they don't have to use the benefits for that purpose, but it won't help your relationship with the doctors and hospitals, through important segments of your public."

With claim payments as the focal point of the business, Mr. Saville urged that claim adjusters be trained in the public relations implications of their jobs, as well as the legal angles. He also said he favors standardization and simplification of claim forms, greater participation of insurance men and their associations in community affairs, and a training of office personnel in how to treat the public courteously and considerately, face to face, on the telephone, or by correspondence.

Expect 500 at Mich. Rally

More than 500 agents are expected to attend the annual convention of Michigan Assn. of Life Underwriters May 21 at Flint.

Speakers are Lester O. Schriver, managing director of NALU; Graham A. Walter, Ontario branch manager of Canada Life; C. S. Ohnsner, Columbus, O., and E. H. O'Connor, managing director of Insurance Economics Society.

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Life of Georgia is among the companies which founded LIC in 1910.



OVER A BILLION DOLLARS LIFE INSURANCE IN FORCE

Agents Urged to Enter Into Business Insurance

(CONTINUED FROM PAGE 4)
show the prospect what he has to offer, advise specific policies that are suited to the prospect's position, and sell the policy. He is there to do just that and not what the lawyer is expected to do.

3. That the agent must know accounting, formulas, values, etc. All he has to do to determine the value of the business is ask the prospect, "How much would you ask for the business if you were going to sell today?"

4. That the agent must be a specialist and devote all his time to business insurance. You might as well say, he quipped, that an optometrist must examine only the right or left eye, that a paper-hanger must paper only one wall, or, that insurance brokers must write only fire insurance. What is important is that the agent devote his efforts to each case, that he "get caught in the swell." "No," he said, "the agent doesn't have to be a specialist, but he does have to be an enthusiast."

Mr. Rikelman observed that if the agent would study business insurance itself instead of studying the reasons why he shouldn't touch it, he'd find selling business insurance is fundamentally the same as selling any other life insurance.

Mr. Rikelman emphasized that, in spite of these bugaboos, business insurance has had success. He cited the figure of \$815 million written by five leading life companies in a single year. This figure attests to the existence of a considerable market, he said, and in an attempt to determine this market, he cited the results of a spot survey conducted by Metropolitan in nine cities within five states. Two cities were large, two medium size, and the rest small, he said. The survey disclosed that in the small cities, partnerships predominate, in large cities, corporations; 36% of the businesses owned some form of business insurance, and one-half of this 36% had to ask for the insurance; 31% had been approached but for some reason or other did not buy; and 33% had never been approached.

Of all business insurance throughout the country, Mr. Rikelman said the most popular form is whole life, comprising 85%; term is 6%; and the other 9% includes endowments, etc. Businesses employing fewer than 50 persons comprise 95% of all corporations, he said, asserting that business insurance is "Main street not Wall street."

No matter how many bugaboos are blown up nor how many figures are given an agent, he must know where the prospects are, Mr. Rikelman said. Where are they? Present clients, he said, are tremendously helpful, for even if they don't have their own businesses, they work for people who do. The agent should approach clubs, lodges, fraternities, and he said an especially good source of leads is trade publications which list new organizations, businesses, executive appointments, etc.

When the agent learns of a prospect, he should write a letter that gets right down to business, he said, a letter that avoids the dramatic or sensational. The next step, the one that spells the difference between success and failure, is the follow-up, and it should be not in two weeks but in two or three days. "Don't give up at first try," he urged.

"Try business insurance for about a month, and you'll find that as you write these letters, and follow up on contacts, you'll build confidence and understanding of the field. Remember that your market is small business; that \$15,000 average policy proves it. And remember too that if you know why a prospect should buy business insurance, he will."

The association's field advisory council sponsored the meeting. Presiding was Ethel B. Karene, Union Central, who later stated that because of the excellent response to the program, she believed the council would sponsor a similar program next year.

Home Office Promotions Made by Minn. Mutual

(CONTINUED FROM PAGE 2)
pany at Houston for six years. He entered insurance in 1933, serving as an agent for Metropolitan Life in Illinois until going with Minnesota Mutual as agency supervisor in 1943. He later was advanced to assistant superintendent of agencies and in 1946 to superintendent of agencies.

The board passed a resolution commemorating 45 years of service for C. L. O'Brien, vice-president of underwriting.

Minn. Agents' Sales Congress Rings Bell

The sales congress staged in connection with the annual meeting of Minnesota Assn. of Life Underwriters at Minneapolis featured an impressive array of sales ideas that made the program one of the most successful ever.

As reported last week, Sabel Andersen, Equitable of Iowa, Minneapolis was named president. Other officers are Kenneth C. Hathaway, St. Cloud, vice-president; Loren Frankson, Rochester, secretary, and Carl E. Ernst, St. Paul, treasurer.

Addressing the sales congress were Horace R. Smith, superintendent of agencies for Connecticut Mutual Life, on "The Magic Formula"; A. R. Jaqua, director of the Southern Methodist University Institute, "What's Taking Place in the Life Insurance Business"; Louis M. Daniel, Equitable of Iowa, River Falls, Wis., "How I Pay for \$600,000 a Year in a Rural Area"; David F. Hoxie, associate counsel National Life of Vermont, "How to Make Business Purchase Agreements Workable and Just," and Robert L. Utne, general agent Penn Mutual, St. Paul, "Prospecting."

Comprising a panel that discussed questions from the floor were Hal S. McIntyre, Northwestern Mutual, Harold Van Every, Bankers of Iowa, Neil Croonquist, National Life of Vermont, and Edmund W. Lienke, Connecticut General, all from Minneapolis.

Addressing a session of Minnesota Life Leaders were Joseph A. Maun, St. Paul attorney; Z. Willard Finberg, Great-West Life, St. Paul, a candidate for an NALU trusteeship, and Mr. Smith.

Milwaukee CLU's Elect

Harold W. Hibscher, New York Life, has been elected president of Milwaukee CLU chapter succeeding Herbert J. Schwahn, Northwestern Mutual.

Hyman B. Parks, Prudential, was named vice-president and Aubrey Cooney, National Life of Vermont, secretary.

Chicago Advantages as NALU Location Reviewed

(CONTINUED FROM PAGE 2)
rounding the site offered NALU. They include building of a quadrangle to accommodate the business and law schools and a conference center, location for national headquarters of such groups as National Council of Protestant Churches or national engineering societies.

Because the university's program calls for residence of a large proportion of its faculty in the immediate neighborhood, the letter states "to bring this about the community must be attractive and the schools and other facilities must be acceptable."

Another letter included, from President W. J. Jameson of American Bar Assn., notes that group decided to move to the university campus from a "gold coast" location north of the loop because of "the offer of a site, the sharing of utility and 'housekeeping' facilities, transportation and adjacent hotels, library facilities, neighbors."

According to the brochure, the university site is only a 30-minute drive from the farthest downtown railroad station, less than 15 minutes by taxi from the stations at 63rd street at which many railroads stop, and 20 minutes from Midway airport and downtown hotels.

Also included are maps showing the number of legal reserve life companies domiciled in the various states, the number of NALU members residing in them, and a comparison which shows "our growth trend is definitely westward."

The brochure pictures Chicago as offering "unequaled facilities" for accommodating visitors, mentioning that it has been the scene of 13 of the last 23 national conventions of major political parties and that each year it is host to an average of 1,000 conventions, "35% more than held in its closest convention rival." Chicago-held conventions, it adds, "unfailingly attract large attendance."

More than 1,900 national trade associations have headquarters in the city, including such as American Medical Assn., American Bar Assn., Rotary International, Kiwanis, American Life Convention, H&A Underwriters Conference and National Assn. of Insurance Commissioners are among several insurance trade associations which headquarter in Chicago.

Neb. Agents Elect Hillman President

Hilmar Hillman, Prudential, Lincoln, was elected president at the annual meeting in Omaha of Nebraska Assn. of Life Underwriters. He succeeds A. J. Hanson, State Mutual Life, Omaha. More than 500 agents attended the sales congress program.

J. Packey Lynch, Northwestern National, Omaha, is the new 1st vice-president, and Ivan Childs, Lincoln National, Scottsbluff, is 2nd vice-president.

Speakers were J. Harry Wood, professor of management at Washington university, St. Louis, and editor of the CLU Journal; Stanley E. Martin, State Mutual Life, Columbus; Alden C. Palmer, Insurance R. & R.; Kenneth Witt, Prudential, Lincoln, and Kenneth McFarland, educational consultant and lecturer for General Motors.

Carroll to Retire; Koch, Humber Named Successors in Wis. for N. W. Mutual

Marue A. Carroll, with Northwestern Mutual Life for 54 years, May 31 is retiring as general agent at Oshkosh, Wis. At that time the agency will be divided with Verne W. Huber continuing as Oshkosh general agent and Stuart H. Koch taking over the northern half of the territory as general agent at Appleton.

At the end of 1953, the Oshkosh agency had more than 50,000 policies in force, representing \$173 million of insurance, an increase of 43% over the past 15 years. Mr. Carroll started with Northwestern Mutual at the home office, later

Marue A. Carroll



Verne W. Huber



Stuart H. Koch

transferring to Chicago as an agent and then to Oshkosh as a supervisor. He was advanced to general agent in 1926. He has served as president of both the company's agents and general agents associations.

Starting with the company in 1932, Mr. Huber served as an agent at Racine at Fort Atkinson, Wis., before going to Greensburg, Pa., in 1949 as general agent. He is a navy veteran.

Mr. Koch, an army veteran, started with Northwestern Mutual at Madison, Wis., later going to Janesville, Wis.

The company will open a policyholders' service office at Oshkosh June 1 to handle premium collection and other policyholders services for both the Huber and Koch agencies. Miss Ruth L. Nelson, with the company for 33 years, the last 10 as cashier at Oshkosh, will be manager.

Ohio Federation Elects Grinstead

Insurance Federation of Ohio at its meeting at Columbus this week elected L. H. Grinstead, president of Beacon Mutual Indemnity, as the new president. Vice-presidents are Carl Mitchellree, Columbus Mutual Life; W. J. Alpaugh, Inter-Ocean; Bernard C. Nagel, Glens Falls Indemnity, and Warren L. Weeks, Columbus agent.

The federation voted to expand its educational and public relations work and to enter the field of research for the study of problems of insurance.

It also voted to establish an Ohio insurance council to consist of one representative and one alternate from each of the 12 Ohio insurance associations. The council will coordinate activities of the various segments in order to present a united front on legislation and other matters.

Managers Aid in Planning

Directors of the Continental Assurance General Agents & Managers Assn. met at Chicago this week to confer with home office executives at a two-day session. Plans for the future were discussed with heads of the various departments. Association president is David A. Carr, New York City.

LIFE INSURERS "CLEAN"

Company Failures Topic of the Day Throughout Texas

Naming of a temporary receiver for Lloyds of North America, Houston, the most recent of several property company failures in Texas over the past few months, has touched off sweeping investigations of insurance by the state's attorney general. The daily newspapers have been giving almost unprecedented coverage to events that have caused companies to go down the drain and to "inadequacies" in Texas insurance laws.

Governor Shivers has said he believes Texas insurance laws are fundamentally sound, though they should be changed to bring them up to date. He said the great majority of Texas companies are properly managed. This is substantially the story Garland A. Smith, chairman of the board of commissioners, told at the Fort Worth meeting of Texas Assn. of Insurance agents.

Though no life insurers have been involved in the failures presently being publicized, newspaper stories are dwelling on the fact anyone can found a life company who can scrape up \$25,000, "an amount that always does not have to be cash."

Life Insurance Research Institute of Texas has pointed out that most of the insurers placed in receivership during the past 16 months have been fire and casualty companies. Of nine such "failures" only one was a life company which had in force only 77 policies.

Governor Shivers said the bad publicity given insurers in Texas during the past few days resulted from the failure of "a thimble full of inexperienced speculators."

District Attorney Long of Austin said he has asked the Travis county grand jury to investigate the possibility of criminal violations in the formation and operation of certain Texas insurers. He said he also has asked Attorney General Shepperd to join in presentation of evidence to the jury.

According to the institute, more than 80% of insurers organized in Texas by Texas residents are life companies. Over the past 15 years, it states, only one policyholder in a Texas life company has experienced any loss as a result of company liquidation, and in that case one-half the death benefit was paid by the reinsurer.

Would Oust Insurers From Role in DBL Sick-Unemployed Fund

NEW YORK—The right to call on insurers to replenish the special fund out of which the state pays the sick unemployed would be eliminated from the DBL system, under the procedure suggested this week by Robert Tilove of the Martin E. Segal Employee Benefit Plan consulting firm of New York City.

Mr. Tilove made his proposal at a conference called by Deputy Superintendent Murphy of the New York department as a result of suits brought by a group of employers and unions to recover reserves from DBL insurers that the latter have built up and out of which the state makes assessments to replenish the sick-unemployed fund.

Because there has been so little unemployment since the law went into effect in 1950 there has been only one assessment against the companies. The result is that the insurers have about \$24½ million in reserves out of which to pay assessments. The reserves are built up out of a special portion of the premium, which is fixed by the insurance department. However, the insurers are still liable for assessments even though their special reserves should not be sufficient to meet the levy.

Mr. Tilove urged that the special state fund should be made sufficient to take care of the estimated future needs, based on the worst foreseeable depression conditions, that enough of the companies' special reserves be taken to bring the special fund up to the desired point, and that any remainder be returned to the policyholders.

Insurers oppose any such proposal on the ground that the special portion of the premium is paid for carrying the risk and that just because experience has been favorable this doesn't justify a return of premium any more than if any other type of insurance were involved.

A revolving fund, linked by formula to the covered payrolls of the preceding three years so as to reflect, but not too sharply, current employment conditions, was suggested as a substitute for the present method of maintaining the special fund by Reinhard A. Hohauser, vice-president and chief actuary of Metropolitan Life, who had much to do with formulating the disability benefits law.

Deputy Superintendent Murphy declined to indicate what his course of action would probably be. He asked that memorandums on the subject be submitted by June 1.

E. V. Shipley of Occidental Retires, Several Advanced

Earle V. Shipley, general agent in San Jose for Occidental Life of California since 1937, has retired. Edwin O. Carlson, assistant superintendent of agencies, has been named general agent and joins General Agent Robert E. Shipley in managing the agency, which now will be known as Shipley-Carlson. Earle Shipley will continue with the agency in an advisory capacity.

In other changes, the company has named Mel Randall and Art Ward associate general agents of the DeVries agency at Los Angeles, and K. C. Koetter, former assistant brokerage manager at St. Louis, assistant manager there. Named to succeed Mr. Koetter is Charles Q. Moore, who joined the company at St. Louis last year.

Mr. Carlson, in insurance for more than 20 years, joined Occidental in 1946 after serving as an agent, office account representative and assistant manager for Metropolitan Life in San Jose. He is a past president of San Jose Life Underwriters Assn.

Robert Shipley joined his father's agency in 1948, the following year

going to the home office as agency secretary. He returned to the agency in 1950 as associate general agent. He has served as treasurer of San Jose General Agents & Managers Assn.

Mr. Randall joined Occidental in 1936 in the home office, becoming supervisor of the DeVries agency in 1946. He is president of Los Angeles Life Agency Supervisors and a past president of Los Angeles A&H Underwriters Assn. Mr. Ward, starting with the company in 1924, served in various home office posts until becoming brokerage manager of the DeVries agency in 1943.

Minn. Mutual Appoints Brantley at Oklahoma City

Minnesota Mutual Life has appointed Mitchell C. Brantley general agent at Oklahoma City.

Mr. Brantley formerly was with Guarantee Mutual Life as general agent and with Prudential as division manager. He is an army veteran.

• San Francisco Managers at their May meeting heard a talk by H. Bert Reiter, manager of the ordinary new business division in the western head office of Prudential.



Meet the V. I. P.

MY COMPANY STRESSES

THE HUMAN ELEMENT . . . I'm a very important person where it means the most to me . . . with my Company. My happy relationship with Berkshire Life is best expressed in the complete satisfaction I get from the prompt, thoughtful handling of all my business. I'm not just a name on a list nor a pin on a map . . . I'm a valued Agent with "most important" cases.

Complete personal coverage in Life, Annuities, Accident & Health and Hospitalization.

KEEP YOUR EYE ON
BERKSHIRE
LIFE INSURANCE COMPANY

PITTSFIELD, MASS. • A MUTUAL COMPANY • CHARTERED 1851
W. RANKIN FUREY, C.L.U., President



**HEREWITH
ARE SHOWN** the new officers of Southern Round Table of Life Advertisers Assn. elected at the mid-year meeting in Nashville. C. R. Andrews, director of advertising of Pilot Life, second from left, retiring chairman, turns over the gavel to the new chairman, Marion L. Davis, advertising manager of Provident Life & Accident. Other officers are Loflin E. Harwood, director of public relations of Southwestern Life, vice-chairman, extreme left, and Harry E. Nelson, director of sales promotion of Life & Casualty, secretary. Howard J. Burrig, president of the National Underwriter Co., was the principal speaker at the closing luncheon.

Howard J. Burrig, president of the National Underwriter Co., was the principal speaker at the closing luncheon.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

tual policies. Though the President did not mention it, no commissions would be paid to producers. National Assn. of Life Underwriters reluctantly went along with this proposal at its midyear meeting in March.

Arrest Broker in Union Welfare Fund Inquiry

NEW YORK—Louis B. Saperstein, New Jersey insurance broker also licensed in New York, was arrested here on a five-count indictment for criminal contempt in connection with the New York investigation of labor union welfare fund racketeering. He is charged with unlawfully refusing to answer "legal and proper" questions before a grand jury. District Attorney Hogan said Mr. Saperstein paid \$92,000 in kicked-back commissions in the two years ended last March to Victor Franco, brother-in-law of George Scalise, ex-convict and former head of the AFL building service employees union.

Announce Dental Insurance Plan in N. Y.

NEW YORK—Group Health Dental Insurance, Inc., brought out a dental expense plan this week. The First District Dental Society, with some 4,000 members in Manhattan and the Bronx, approved the plan in 1950 but it has taken until now to perfect the details. Annual rates will be \$19.80 for single persons, \$39.60 for a husband and wife, and \$72 for family coverage. Subscribers will have to take care of having existing conditions corrected, up to \$150. The plan will assume any excess.

Ives, Former Partner of Julian Myrick, Dies

Charles E. Ives, 79, Pulitzer prize winning composer but better known in life insurance as the former partner of Julian S. Myrick in the famous Ives & Myrick agency of Mutual of New York in New York City, died at Roosevelt hospital, New York City. He and Mr. Myrick established their agency in 1906. He retired from the firm in 1930.

U. S. Urged to End Free GI Coverage

WASHINGTON—The gratuitous \$10,000 coverage that replaced National Service Life insurance three years ago for persons entering the armed services would be integrated into the social security system under a plan submitted by the committee on retirement policy for federal personnel, an organization set up by Congress last year. The Defense Department has approved the idea in principal and is working on legislation to implement it.

Shanks to Address WQMDRT Meeting

President Carol Shanks of Prudential will address the banquet of Women's Quarter Million Dollar Round Table Sept. 21 at Boston, to be held during the annual convention there of NALU. The program for WQMDRT, whose membership for 1954-55 is well in excess of 200, will follow the theme "How to Sell More Life Insurance."

Minn. Group Investigation to Take in 50 Insurers

Commissioner Sheehan of Minnesota has announced he is expanding his investigation into group insurance and plans to examine 1,500 contracts written by more than 50 companies. The investigation follows a recent Congressional probe of racketeering in Minnesota.

Among the reports the commissioner intends to investigate is one that one or two agents control the writing of virtually all group insurance in Minnesota. The new investigation will last until August and will cover all policies issued to trade unions, trade union welfare funds or to trustees of trade union welfare funds. It will also include all other types of group covering 100 or more lives.

Group contracts are to be submitted for department inspection, including the names of agents of record. The study will take in details of individual plans, premiums, commissions, benefit payments, fees and dividends to policyholders. Special attention will be given to fees and other payments made to administrators. The companies will have until July 1 to submit copies of this information.

Aetna Life Names Cotton

Harold D. Cotton has been named a pension trust representative of Aetna Life. He joined the company in 1952 as a representative of the Shepard & Co. general agency at Hartford, and attended the company's home office training school.

Chicago Life Assn. Sets Annual: Unit Dates Given

Chicago Assn. of Life Underwriters will hold its annual meeting June 11 at which time recognition will be given 100% honor roll agencies and national quality award winners. The speaker will be Malcolm Adams, president of Penn Mutual Life.

Life Agency Managers will hold its golf party at Elmhurst Country Club June 3; Chicago Life Insurance & Trust Council will have its annual meeting June 9, golf party June 29, Rolling Green Country Club; Group Supervisors golf outing, Midwest Country Club June 10; Life Agency Supervisors golf party, Itasca Country Club June 10, and Life Agency Cashiers annual June 16.

Northern Illinois Congress Successful, 180 Attend

An attendance record was set for the northern Illinois sales congress sponsored annually by Rockford Assn. of Life Underwriters, more than 180 agents attending.

Following opening remarks by the association president, Walter G. Meyers, General American Life, talks were given by George Severance, Ohio National Life, Chicago; Don Ross, merchandising manager of *Successful Farming Magazine*, and James E. Rutherford, Prudential vice-president in charge of its Chicago regional head office.

There also was a panel on "Pros-

pecting and the Approach" moderated by John F. Battaile, Jr., John Hancock-Participants were Charles Eck, Rockford Life, Rockford; Edward Boynton, Prudential, Sycamore; Barton Bassett, Rockford, and Jack Kapfhamer, Metropolitan, Freeport.

Reeves Quits Bankers L.&C.

H. Clyde Reeves has resigned as vice-president of Bankers Life & Casualty to become assistant to the president of Stephens college, Columbia, Mo. Mr. Reeves was state revenue commissioner of Kentucky before joining Bankers, where he was primarily connected with public relations.

E. T. Fitzgerald Promoted

NEW YORK—Union Mutual Life has appointed Edward T. Fitzgerald regional claims manager for New York. He has been claims representative for the midtown New York City agency. Following air force service, he was a claims examiner for New Amsterdam Casualty for five years before joining Union Mutual in 1951.

J. E. Langstein Promoted

John E. Langstein has been appointed general agent at Phoenix, Ariz., for Washington National.

A native of South Africa and a veteran of that country's air force, Mr. Langstein joined the company in 1951 at Oakland, Cal. He led its entire field force in combined life and A & H production during 1952 and 1953.

Portland A&H Assn. Gives Officer Slate

Portland (Ore.) Assn. of A. & H. Underwriters has nominated the following slate of officers: President, E. J. Coffey of Harry K. Coffey & Associates; Gerald H. Switzer, Business Men's Assurance, vice-president, and Harold W. Trueblood, Northwest Accident, secretary-treasurer.

The speaker at the meeting, which welcomed 31 new members and was attended by some 100 members, was J. L. Gilbertson of the Coffey agency. He gave the agents, especially the new men, some ideas on the approach, stressing more need for importance of what the prospect thinks than on what the salesman may think and the value of sincerity to instill confidence in the mind of the prospect. Today's need in the A&H field, he said, is selling business in a manner so that it stays on the books. "The salesman is only telling until he asks for the check. Then he starts selling. Order-taking days are past."

Reports were heard on the tri-city sales congress scheduled to be held at Portland, Sept. 22, and on the annual golf party June 8 at Glendoveer Golf Club.

• LIAMA's 124th school in agency management for ordinary men was conducted at Mineral Wells, Tex., where 66 men from 25 companies gathered.



Crawford H. Ellis, president of Pan-American Life, host at a reception at his company's home office building during the New Orleans meeting of H&A Underwriters Conference, with Mr. Ellis and J. R. Donnally, group manager of Pan-American.



THE NEW COMPANY LEADERS of Health & Accident Underwriters Conference: from left, President J. W. Scherr, Jr., Inter-Ocean; executive committee chairman Frank S. Vanderbrouk, Monarch Life, and retiring president E. Lewis Riets, now with Great Southern Life, and a member of the executive committee.

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FIDELITY

well-balanced

A well-balanced company is, we believe, a company

- ... whose financial position is strong
- ... whose geographical market embraces a balance of metropolitan, town and rural areas
- ... whose policy contracts include all fundamental coverages...

It is a company

- ... whose contributions to its industry have been recognized as outstanding
- ... whose growth has been steady and uniform
- ... whose size is sufficiently large to assure confidence and prestige
- ... whose management, nevertheless, has never lost the common touch with agent and policyholder
- ... whose reputation as a friendly company has been consistently upheld

Fidelity is a well-balanced company

The FIDELITY MUTUAL LIFE INSURANCE COMPANY

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA



We are an agency minded company,
dedicated to helping our
Great Southerners better serve
a great people in a
great section of our nation.

GREAT SOUTHERN Life Insurance Company

Founded 1909
Home Office • Houston, Texas

OLD LINE LIFE INSURANCE FOR

Lutherans



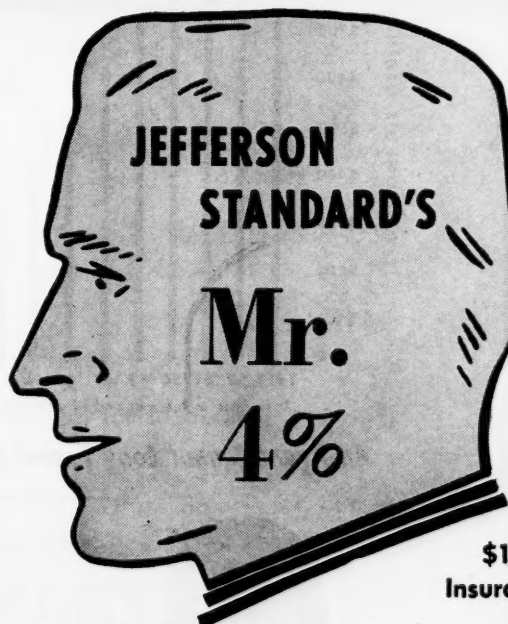
INSURANCE IN FORCE		
as of December 31, 1953	...	\$294,660,475
ASSETS	...	60,238,794
TOTAL SURPLUS FUNDS	...	3,918,964
1953 INCREASE IN INSURANCE	...	25,058,651

Organized in 1879
Completing 75 Years of Progress and Service

Lutheran Mutual

LIFE INSURANCE COMPANY

HOME OFFICE
WAVERLY, IOWA



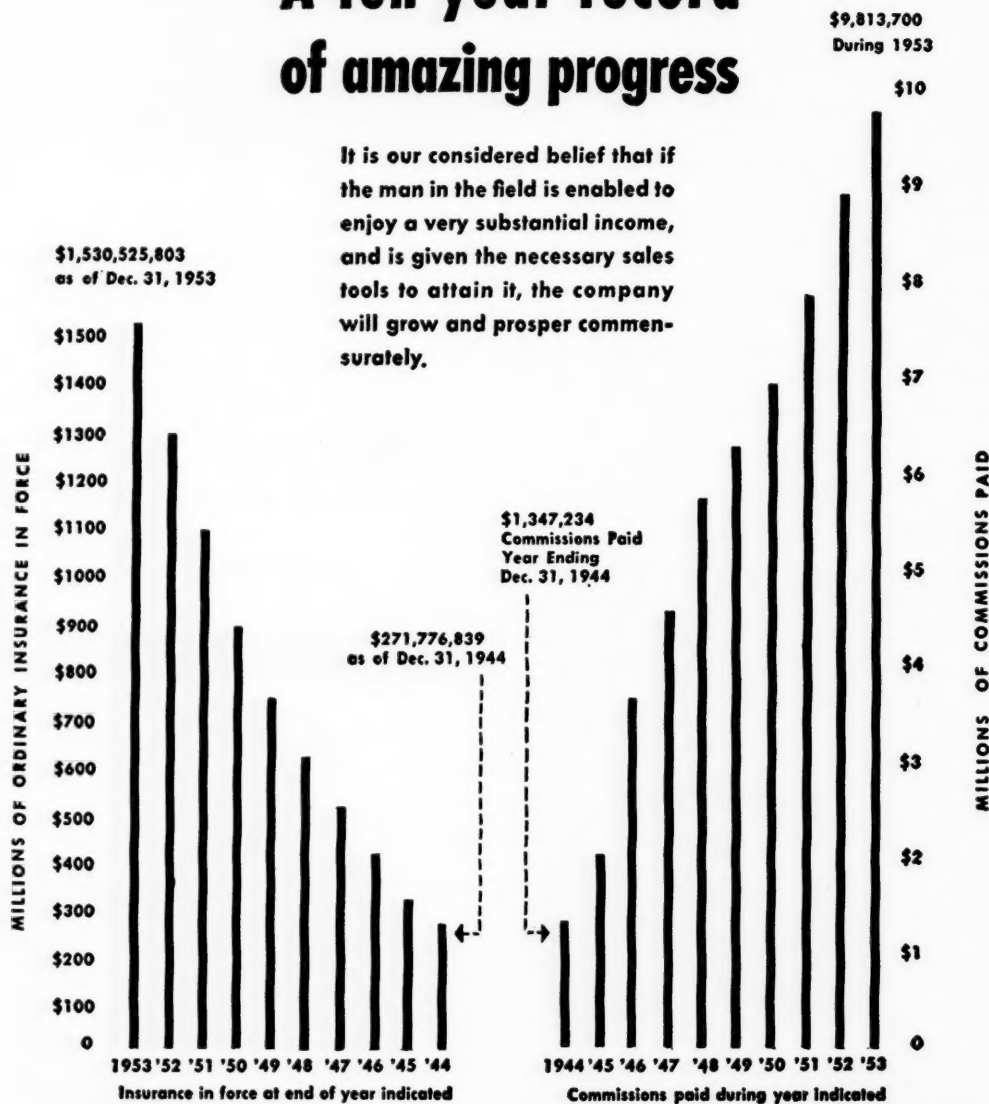
Over
\$1 1/4 Billion
Insurance in Force

Says "BEST'S INSURANCE NEWS, Life Edition, volume 54, No. 4, in its analysis of ORDINARY LIFE, 20 PAYMENT LIFE and 20 YEAR ENDOWMENT contracts issued in 1933, at age 35, shows from actual history that JEFFERSON STANDARD policyholders pay less than those of other companies included in the study on all three contracts in the highest cash value group... ANOTHER JEFFERSON STANDARD PLUS."

JEFFERSON STANDARD
Life Insurance Company
GREENSBORO, NORTH CAROLINA

A ten year record of amazing progress

It is our considered belief that if the man in the field is enabled to enjoy a very substantial income, and is given the necessary sales tools to attain it, the company will grow and prosper commensurately.



An Agent Cannot Long Travel at a Faster Gait than the Company He Represents



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over a Billion Five Hundred Million Dollars of Insurance in Force